CUTTING RED TAPE IN COLORADO STATE GOVERNMENT

"MAKING GOVERNMENT MORE EFFICIENT, EFFECTIVE AND ELEGANT"

DEPARTMENT OF REGULATORY AGENCIES

OMNIBUS REPORT TO THE GOVERNOR

ON THE

"PITS AND PEEVES" ROUNDTABLES INITIATIVE

DECEMBER, 2011

Executive Director's Office
Barbara J. Kelley
Executive Director

Department of Regulatory Agencies

John W. Hickenlooper
Governor

Governor John W. Hickenlooper
Colorado State Capitol
Denver, Colorado 80202

Dear Governor Hickenlooper:

It is my pleasure to submit to you this *Omnibus Report on the Pits and Peeves Roundtables Initiative*. On your behalf, the Department of Regulatory Agencies, together with Executive Directors and senior staff representing your Administration, have been engaged in a series of roundtable discussions across the State with a broad and diverse group of representatives of approximately 100 business organizations, local governments, advocacy and community groups on the important issue of red tape and regulatory inefficiencies in Colorado State government.

The principal objective of the Initiative was to provide a forum for senior government officials to listen to the problems and experiences of businesses and the community at large with respect to governmental red tape, and to understand, as fully as possible, what we heard. In this Report, we have tried to relate, accurately and in context, the voices and perspectives of the Roundtable participants, without editing, screening or injecting our own views and judgments.

The challenge for the Administration going forward is to craft the variable courses of action needed to address not only the individual "peeves" experienced by citizens, but more importantly, the structural and systemic impediments to eliminating red tape and streamlining the State's broad array of regulatory regimes. While immediate one-time fixes are important, and can certainly provide limited relief, the longer term goal must be to address the root causes of the problem of red tape, and to avoid persistent and recurring governmental inefficiencies.

Notwithstanding the obstacles, it is a challenge which we in your Administration have begun to take on, and will continue to address with resolve, and the commitment to succeed in providing a government to serve the people of Colorado which embodies the three "Es" of good government—effectiveness, efficiency and elegance in customer service.

Sincerely,

Barbara J. Kelley
Executive Director, Department of Regulatory Agencies

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Executive Summary

As he traveled the State, first with his campaign and later during the first months of his Administration, Governor Hickenlooper heard Coloradans complain that state government was far too often an impediment to business development and job creation. Business owners and others made repeated references to bureaucratic "red tape" and unnecessary, duplicative and overly burdensome regulations.

In response, a series of roundtable discussions across the State were organized and hosted by the Department of Regulatory Agencies to help identify the specifics of these "red tape" issues in State agencies. The **"Pits and Peeves" Roundtables Initiative** was implemented as an opportunity for business organizations and associations, advocacy and public policy groups, local government officials, members of academia and non-profit organizations to speak up close and personally with senior State government executives about the specifics of their experiences involving red tape and governmental inefficiencies.

In taking on the task of streamlining the State's regulatory regimes, it is important that the Administration's understanding of the issues and problems be grounded in the reality of the actual experiences of businesses and other citizens who are subject to the State's regulatory programs. Between May and August, 2011, representatives from approximately 100 business and community organizations were invited to join members of the Governor's cabinet in six Roundtable sessions held around the State. The participants were asked to help identify "red tape" issues, i.e., the kind of regulatory obstacles, logjams and impediments that they regularly encounter. And equally important, participants were asked to share ideas about how these red tape issues could be resolved. This Omnibus Report summarizes the discussions and suggestions from these Roundtable meetings.

Some of the issues raised by the Roundtable participants concerned discrete, individual rules or procedures. Other issues raised were of a more systemic or structural nature. Within the latter group, the issues can be organized into the following broad themes:

- Need for **change in government culture** to focus on customer service

- **Regulatory inefficiencies and delays**

- Need for **greater coordination among agencies**, e.g. information sharing and consistency of administrative approaches

- Need for **better coordination between Federal and local agencies** to achieve regulatory coherence and avoid conflicting or inconsistent

requirements

- Need for **periodic review of agency rules and regulations** to evaluate continued need and effectiveness

- Need to make **better use of available technology** to improve communication and interaction with the public

- Need for a **"go to" person** in each agency to help the customer navigate the systems within the agency

- Need to pay **greater attention to economic/unintended adverse impacts** of proposed regulations, requirements and procedures

- Need to pay more attention to **ensuring that new regulations reflect legislative intent.**

The Roundtable participants offered a broad and varied range of proposed solutions to the red tape issues and similar solutions were often voiced in several different Roundtable sessions. The proposed suggestions ranged from simple solutions for how to improve communications with and make information more readily available to the citizens of Colorado to more sophisticated ideas for how to reform the way agencies make decisions. In general, the participants' suggestions can be grouped into the following recommendations:

- **Changes in Personnel Practices**

- **Greater Inter-agency Coordination**

- **Improved Communications**

- **More Transparent Administrative Rulemaking**

- **Greater Use of Public/Private Collaboration and Partnerships**

- **Better Utilization of Technology**

Following the Roundtable sessions, summaries of the participant input and key findings were presented to members of the Cabinet and executive senior staff. These presentations resulted in-depth inter-agency dissussions related to the common themes raised in the Roundtable sessions. Many State agencies had already begun to address many of the types of red tape issues identified in the Roundtable sessions. The following are illustrative of some of the efforts being undertaken:

--Measures to instill a more **customer service oriented culture** are underway in

the Department of Labor and Employment, the Departmentof Public Health and Environment and the Department of Transportation.

--With the goal of **streamlining regulatory processes**, CDOT is in the midst of a comprehensive re-engineering of its contracting processes, which will result in shorter timeframes, consistent customer service and tracking of key performance indicators.

--With respect to fostering **greater inter-agency coordination**, the Department of Local Affairs has taken the lead in the implementation of Executiove Order D2011-005, *Enhancing the Relationship between State and Local Governments.* This Executive Order is intended to prevent the imposition of unfunded mandates on local governments.

--Each of the principal departments in State government is presently and actively engaged in the process of **rule review** to evaluate and determine the continued need, appropriateness and effectiveness of its existing rules and regulations. Significantly, the Department of Human Services has recently completed a comprehensive review of more than 4,300 rules, resulting in a recommendation for the repeal of 81 rules and the revision of an additional 2,116.

--Divisions within the Department of Regulatory Agencies have also completed the **review and evaluation** of significant portions of their regulations. For example, the Division of Registration has reviewed 655 rules, with recommendations for the repeal of 164 rules and for revisions to another 479.

All of the information learned through the Pits and Peeves Roundtables Initiative will help inform the additional changes and improvements to be made by State agencies as they continue their efforts to meet Governor Hickenlooper's three 'Es" mandate calling for "effectiveness, efficiency and elegance" in State government. However, four key Roundtable suggestions deserve thoughtful consideration for immediate action because, if effectively implemented, these suggestions would help address many of the systemic issues that give rise to red tape:

°   Designate an **agency concierge** or **"go to" person** in each department who acts as as clearinghouse, and source of information and direction for the public

°   Establish **"Regulatory Facilitation Teams,"** aligned around the industry clusters to be identified pursuant to Blueprint Colorado, to provide support and guidance to businessses in each respective cluster

°   Issue an **Executive Order that requires periodic rule review** by each State agency to evaluate and determine the continued need and effectiveness of existing rules and regulations

       °   Reconvene the original Roundtable particpants and others to assess the progress of the Administration's efforts to cut red tape, and continue the dialogue on longer-term efforts to streamline State government in Colorado.

The dialogue developed with the Pits and Peeves Roundtable participants has proven to be an effective way for State agencies to learn about and understand the impact of regulatory red tape on businesses and the community at large. The process has been insightful, instructive, and has provided direction and guidance to State agencies as they work to identify ways to help alleviate the burdens of that impact.

While we believe the Pits and Peeves Roundtables Initiative has been successful in its mission, it is only part of a larger process which must be continued, with the resolute commitment that we can achieve the effective, efficient and elegant government the citizens of Colorado deserve.

Introduction

During his campaign and the first months of his Administration (particularly in the Bottom Up meetings held across the State), Governor Hickenlooper and members of his cabinet heard time and time again that State government was often an impediment to business development, and most importantly, an impediment to job creation. Many a reference was made to bureaucratic "red tape" and unnecessary, duplicative and overly burdensome regulations. The Governor listened very carefully, and has made job creation the centerpiece of his Administration.

Nearly everyone agrees that "red tape" and "regulatory inefficiencies" are bad for business. However, before any effective action can be taken to eliminate the "red tape" and regulatory inefficiencies, a clearer and more defined understanding is needed of what businesses, local government and the larger community actually mean when using these terms. Only once the specifics of the "red tape" are understood, can we begin to make the changes and improvements necessary to better serve our customers – the citizens of the State of Colorado.

Government Red Tape—the Scope and Breadth of State Governmental Regulations

Historically, red tape was used to signify issues of great importance. The Spanish administration of Charles V in the early 16th century started to use red tape in an effort to modernize the administration that was running his vast empire. The red tape was used to bind the important administrative dossiers that had to be discussed by the Council of State and separate them from the more ordinary issues that were bound by simple rope. Other modern European monarchs quickly copied this practice of using red tape to denote the most important issues in an effort to speed up their administrative machines. The tradition continued through to the 17th and 18th centuries. The English practice of binding documents and official papers with red tape was popularized at that time.

Over the centuries, the accepted meaning of "red tape" has changed significantly. Today, the term "red tape" refers to excessive and unnecessary regulation or rigid conformity to formal rules that is considered redundant or bureaucratic, and which hinders or prevents action or decision-making. The term is also used to describe inefficient and ineffective agency rules, policies and procedures that slow down the workings of good government. It is usually applied to large bureaucracies such as the Federal and State governments, corporations and other large organizations.

It is sometimes difficult to comprehend the scope and scale of state regulations and the extent to which they impact the daily lives and livelihoods of Coloradoans. Colorado's executive branch consists of 19 principal departments which house more than 100 separate and distinct agencies, each of which has some form of regulatory

authority. The body of administrative regulations promulgated and enforced by these agencies is set forth in the Code of Colorado Regulations, an enormous document which contains more than 12 volumes. An effort to determine an approximate number of individual regulations in effect proved well beyond the scope and resources available to this Initiative. However, it would be a fairly accurate estimate that the regulations number in the tens of thousands.

Businesses and the community at large generally recognize the critical role that government plays in our society, and the need for regulations in order to carry out that role effectively. However, there is also a recognition that excessive, unnecessary and redundant regulations and processes have resulted in enormous burdens on businesses and consumers alike. There is clearly the need to reduce or eliminate such red tape, and to streamline governmental regulatory functions.
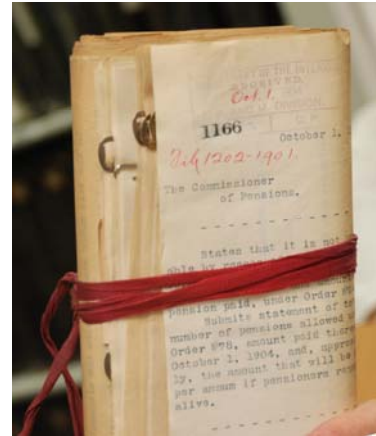
The Omnibus Report

This Omnibus Report is organized into 5 sections, which capture, to the extent possible, what we heard about the scope and substance of red tape issues and concerns; suggested solutions; the actions and initiatives that State agencies have already undertaken or will shortly put in place to address and reduce the problems of red tape; and finally, a list of recommendations for immediate action by the Administration to begin to address some of the systemic impediments to regulatory efficiencies and a more streamlined government.

The first section describes the Roundtables process, and summarizes the issues and concerns raised and discussed in each session. Of particular note and interest is the extent to which many of the same issues surfaced in each meeting.

In the second section, we have grouped into broad categories those common and recurring issues and themes related to systemic or structural red tape impediments.

The third section sets out the broad and, on occasion, creative, spectrum of proposed solutions to eliminating red tape. The range of suggestions demonstrates the commitment of the Roundtable participants to offering meaningful, relevant and practical solutions, with an absence of a dogged adherence to or promotion of a special interests agenda.

The fourth section summarizes some of the efforts and initiatives already underway in a number of State agencies to address the issues and concerns raised in the Roundtable sessions.

The fifth section proposes a short list of recommendations for immediate implementation which we believe offer an opportunity to address some of the systemic red tape issues.

I. Pits and Peeves Roundtables

On behalf of the Governor, Barbara Kelley, Executive Director of the Department of Regulatory Agencies (DORA), organized and hosted a series of facilitated discussions around the State to identify the specifics of people's red tape issues. The "Pits and Peeves" Roundtables Initiative provided an opportunity for business organizations and associations, advocacy and public policy groups, local government officials, members of academia, and non-profit organizations to speak frankly and directly with senior State government executives about the realities of their experiences involving red tape and regulatory inefficiencies. Rather than government officials talking amongst themselves about where and what might be roadblocks for business, participants were asked to help identify the obstacles, logjams and other regulatory impediments that they regularly encounter. We sought information that was as factual and comprehensive as possible, while protecting any confidential or proprietary information. It was important that our understanding of the issues and problems be grounded in the reality of the actual experiences of the businesses (and other entities) that are subject to the State's regulatory regimes.

In order to encourage and accommodate frank dialogue and exchange, the number of participants at each Roundtable session was generally limited to twenty. However, participants were carefully selected to represent thousands of businesses across a broad spectrum of industries, and included representatives of local government and general community interests around the State. In addition to Director Kelley, two or three other members of the Governor's cabinet and/or senior staff also participated in each session. The participants were asked to share their experiences regarding the impacts, costs and other consequences of red tape impediments, and as importantly, to share ideas on how red tape issues could be resolved.

The "Pits and Peeves" Roundtables Initiative is aligned with *Colorado Blueprint: A Bottom Up Approach to Economic Development,* released by the Governor in July, 2011. The *Blueprint* sets forth six core objectives, one of them being to create a business-friendly environment. Colorado Blueprint recognizes that:

> "Coloradans deserve a government that is responsive to their concerns and priorities, is frugal with their tax dollars, and promotes economic development. That means knowing when to regulate, how to regulate, and when to get out of the way. This is one of the important roles of government. To this end, the Hickenlooper Administration is focused on the Three E's of good government: efficiency, effectiveness and elegance."

Red Tape Reports

The participants attending each Roundtable session were asked to submit, prior to the session, a list of up to ten examples of specific rules, regulations, procedures, or instances of excessive or redundant requirements that illustrated the issue and problems of "red tape" and governmental inefficiencies. Detailed information was requested as to what the problem was, the relevant state agency involved, and if/how the company was able to work through the problem.   A form, referred to as a Red Tape Report, was made available to the invited participants to complete online. More than 180 Red Tape Reports were received. (See Appendix A for a sample Red Tape form)

After each session, the Red Tape Reports prepared for that meeting were forwarded to the identified agencies and each agency was asked to review the Report and respond to the issue(s) described. In some instances, the issues identified could be resolved with immediate administrative action. Resolving other issues involved rule making, which requires public notice and hearing, or even legislative action. Still other issues were not problematic as a regulatory matter, but required other action to address the perceived impediment.   In any case, the Red Tape Initiative committed to follow up with each identified department to see what responsive action was taken, or is contemplated. To date, the departments have responded to most of the Red Tape Reports.   The few remaining reports are in the process of departmental review and analysis. The intent is to ensure that a response is provided to each Report received by the Initiative. (See Appendix B for a Summary of the Red Tape Reports)

Roundtable Sessions

Six Roundtable sessions were held across the State over a four-month period – three in Denver, one each in Longmont, Pueblo and Grand Junction. The sessions were hosted at local Chambers of Commerce, educational institutions or in local government meeting facilities. The geographic mix and range of business and community sectors represented by the participants at the Roundtables provided a wealth of diverse viewpoints and experiences. (See Appendix C for a list of all participating organizations)

The Red Tape Reports were used as a starting point for the discussion at each Roundtable session. Participants were asked to begin by identifying general trends, observations or generic examples of red tape issues. The issues identified were grouped together into common themes; participants were divided into small working groups to discuss the common themes and make suggestions for solutions.

Participants spent considerable time discussing the challenges and the barriers to easy answers and quick fixes.

> **Issue Example**: Citizens have a difficult time finding basic contact information for State agencies on their websites because they are all so different.
> **Proposed Solution**: Develop a common website initial landing page template that all agencies would use to provide basic contact and agency description information.

Overall, the participants were fully engaged and, in many cases, passionate and enthusiastic about the opportunity to share their experiences and perspective, and to provide input on the questions of identifying and eliminating governmental red tape. The results were innovative and insightful, reflecting the participants' experiences and expertise.

Members of the Governor's cabinet and senior staff were also in attendance at each Roundtable session to hear firsthand the stories, experiences, issues and concerns related to governmental red tape. The Departments and agencies represented at the sessions included:

o   Don Hunt, Executive Director, Department of Transportation;
o   Roxy Huber, immediate past Executive Director, Department of Revenue;
o   Dr. Chris Urbina, Executive Director, Department of Public Health & Environment;
o   Reeves Brown, Executive Director, Department of Local Affairs;
o   Al White, Director, Colorado Office of Tourism;
o   Michael "Mickey" Hunt (CMSGT Ret.), Deputy Director, Department of Military and Veteran Affairs;
o   Kathy Nesbitt, Executive Director, Department of Personnel and Administration
o   Kristin Russell, Secretary of Technology and Chief Information Officer, Governor's Office of Information Technology;
o   Barbara Brohl, current Executive Director, Department of Revenue;
o   Carol Pfarr, Manager of Finance and Procurement, Department of Personnel and Administration;
o   Noah Aptekar, Global Business Development Specialist, Office of Economic Development and International Trade;
o   Jessica Roe, Communications Director, Department of Regulatory Agencies; and
o   Greg Ferland, Deputy Director, Department of Regulatory Agencies.

The presence and participation of executive directors of departments across a broad span of State government was critically important to communicate the message of commitment and collaboration in the task of addressing the very real problems of red tape. Although the Department of Regulatory Agencies acted as host for the

Roundtables Initiative, the issues and concerns of red tape and governmental inefficiencies were by no means limited to the programs within DORA. The broad base of support among the cabinet reflects its collective understanding that red tape is a matter of serious concern for each and every department and agency within State government.

Governor Hickenlooper and Lt. Governor Joe Garcia greeted the Roundtable participants, in person or via video, and thanked them all for taking the time to engage in this important discussion. The Governor reiterated his commitment to achieve good government through the three "Es"—effectiveness, efficiencies and elegance in service delivery. They both encouraged and challenged the groups to be open and frank in laying out the problems and concerns of government red tape, as well as innovative and creative in the suggestions for solutions to help eliminate those barriers. (See Appendix D for a summary of the discussion and range of issues raised in each Roundtable session)

II.   Common Themes

Upon a detailed review and analysis of the issues identified in the Red Tape Reports, as well as the impediments and inefficiencies discussed at each of the Roundtable forums, we were able to discern recurring comments, and to organize those issues into the nine common themes outlined below. It is apparent that the systemic issues underlying much of the red tape identified by participants have to do with the perception that as an institution, government functions as if it is in itself, the end goal. This approach invariably tends to generate systems, processes and requirements which first support the interests of government, rather than the citizens being served.

The range of concerns expressed was broad, but interconnected. Apart from the central issue of government culture, the issues tended to focus on needed changes in the design, implementation and enforcement of regulatory programs, as well as the systems of communication used to interact with the regulated entities and the general community.

1.   Change in Government Culture to Focus on Customer Service

Underlying many of the issues identified in the individual Red Tapes Reports, as well as the Roundtable discussions, was the problem of the perceived culture that exists within government. There is a pervasive view that the systems within government are generally designed for the government's interests and convenience, rather than for the citizens it serves. Many participants commented on government's lack of focus on or commitment to customer service. Professionalism, responsiveness and an attitude of helpfulness are very much needed in order to improve the public's perception about communications and interaction with government agencies.

Much of the perception of government culture as being inward looking may be explained by the differences in priorities between the public and private sectors. Businesses must respond and react quickly to the constantly changing marketplace and other conditions that affect their success and profitability.

Government generally operates under a system of hierarchical commands and controls within legally defined authorities. The focus of governmental regulatory systems is the decision making process itself, based on the fundamental principle of protecting the public interest. These systems are not designed with the intent of being responsive to changing market forces or other external conditions affecting the regulated businesses.

Thus, the public and private systems are divergent, and do not often operate in a

synchronized manner. The challenge is determining how best to bridge the divergence between the systems, while respecting the interests served by each system, and promoting their mutual goals of sound and sustainable economic development.

2.   **Regulatory Inefficiencies and Delays**

Many participants noted the extensive delays in processing permits and licensing applications which are encountered as a matter of course. Such delays, which can span a period of months, are costly and often prevent companies from putting their employees to work, while requiring the companies to continue to incur the maintenance and financing costs of the project or facility.

Furthermore, the lack of reliable information regarding the status of an individual application, the sometimes incomplete or inaccurate information provided about the process itself and the lack of accountability for government errors were sources of concern and frustration.

The sheer complexity of regulations was identified as another cause of red tape. One example provided was the complexity, ambiguity and resulting confusion surrounding the State's sales and use tax regime, which makes it extremely difficult for companies to comply. As noted in one Roundtable session, Colorado has the reputation as being one of the most difficult states to navigate in this regard. Trying to determine a company's tax obligation is often so burdensome that companies have come to expect that the issues will only be resolved through an audit. However, audits are very expensive, cumbersome and time consuming. There is a clear need for greater clarity, predictability and consistency in the design, implementation and enforcement of the State's sales and use tax regulations.

In addition, the taxing systems which businesses face in Colorado are further complicated by the varying county and local rules and regulations pertaining to sales and use taxes. It was noted that in some cases, the same item of personal property is categorized, assessed and taxed differently among the several taxing authorities.

3.   **Greater Coordination among State Agencies**

There are more than 100 agencies in Colorado with some form of regulatory authority. In many cases, several agencies have overlapping regulatory jurisdiction over an individual business or activity. Yet, these agencies for the most part operate in silos, with little coordination of the multi-faceted, multi-layered regulatory regimes governing that particular business. This often results in inconsistent requirements, redundancies, confusion and delays. Each agency requires submissions of substantially the same information, in its own agency's particular format, with no ability to share information across all relevant agencies. The administrative processes are also implemented in isolation, without regard for the

inevitable ripple effects on other aspects of the business operations.

4.   **Better Coordination with Federal and Local Agencies**

In our governmental landscape today, a business must comply with legislative and regulatory mandates set by both federal and state legislative bodies, as well as implementing regulations established by administrative agencies.   The Roundtable participants pointed out numerous examples where different governing agencies imposed requirements on business and industry – sometimes in conflicting fashion. Whether it is in the health care, insurance or the environmental area, federal and state agencies tend to focus on their own issues and challenges, and ignore the opportunities for collaboration with their respective governmental counterparts. Just as in the case described above among state agencies, this lack of coordination and communication between federal and state levels can also cause the same unintended burdens in addressing common problems. Closer coordination between sister federal and state agencies could eliminate some of the barriers to efficient and effective governance.

5.   **Periodic Review of Agency Rules and Regulations**

 Participants expressed concerns that, over the years, layer upon layer of regulatory requirements have been imposed, without analysis of their continued necessity and effectiveness, or consideration of more appropriate alternatives. Across State government, one can find any number of regulatory programs which have been in effect for decades, with many intervening rule modifications and revisions. While there is a mechanism for review of proposed rules or modifications under the State's Administrative Procedure Act, there is no requirement that agencies routinely review and evaluate existing regulations to determine if the regulatory framework and/or regime continues to be necessary, appropriate and effective.

Changes and new developments in the business models and practices within any particular industry, advances in technology, increasingly competitive market forces, as well as changes in the community's interests should undoubtedly affect the continued appropriateness of a regulatory design. Regulatory programs based on conditions which prevailed 10, 15 or even 20 or more years ago need to be evaluated and reconfigured to reflect current conditions and concerns.

The periodic regulatory review and evaluation should not be dependent on the promulgation of new regulations. Nor should it be an ad hoc, add-on activity by State agencies. But instead, periodic review should be an integral part of the regulatory process itself. It was noted in several of the Roundtable sessions that Colorado is one of the few remaining states which do not have an institutional process for the systemic and regular review of existing regulations.

6.   **Better Use of Available Technology for Communication and Customer Service**

Many government regulations continue to require submission of multiple copies of paper documents. For example, multiple paper copies are required in connection with contracts, requests for proposals (RFP), applications or administrative appeals. In light of available technology, many participants questioned why it is necessary to submit paper copies, considering the costs associated with copy and document production. More extensive use of electronic filing systems, the maintenance of centralized and shared databases, and utilization of tracking functions to ascertain the status of a filing could expedite and streamline regulatory processes.

7.   **Need for an Agency "Go-To" Person**

Government regulatory systems are complex, complicated, sometimes highly technical, often unclear and inconsistent. This difficult regulatory maze frequently requires businesses and consumers to turn to professionals for assistance in navigating the system. The costs of such professional services can be particularly burdensome for individuals and small businesses. This can be especially true of the State's social services programs for our most needy and disadvantaged citizens. Participants recounted examples of being shuttled from one person to the next, from one counter to another, to the next agency and sometimes circling back to the first point of contact--all to little or no avail in getting through the system.

Similar experiences were described by prospective contractors, particularly those outside the Denver metro area, who found it very difficult to access government programs and contracting opportunities. The contractors explained that they ended up spending considerable time shopping around agencies, picking up bits and pieces of information, but with no real direction or guidance to help them get the information or critical contact they needed.

In some instances, the difficulty was that the front line staff themselves did not know how to, or had not been adequately trained to, navigate the systems within the agency, or how to access the appropriate sources of information. In other cases, the problem was lack of access by staff to the most current information regarding the status of an application or other filing.

8.   **Greater Attention to Economic and Unintended Adverse Impacts of Proposed Regulations, Requirements and Procedures**

An issue of serious concern expressed by businesses is the tendency of agencies to impose or change regulatory requirements, standards or conditions without due regard for or analysis of the economic, financial and social impact on business, local government or the general community. Agencies should make the effort to determine the impact and cost implications on the regulated businesses and other

stakeholders well before any proposed changes are formulated for implementation. Further, the process for a cost-benefit analysis should involve the affected businesses and stakeholder interests early on in the process of analysis, since these parties are in a good position to help project impacts and compliance costs.

There seemed to be a consensus among the Roundtable groups that the current provisions for cost-benefit analysis under C.R.S. 12-4-103 are generally too little, too late. As presently structured, a cost-benefit analysis is not required until a rule has already been crafted, and proposed for implementation. Requiring a cost-benefit analysis effectively requires the agency to look well outside the scope of its proposal, including the consideration of viable alternatives. Unless the submitting agency has already undertaken such an analysis, the practicality and utility of a cost-benefit analysis <u>at this point</u> in the rule making process is questionable, and its value often negligible. Many of the participants suggested that this provision should be revised to provide for a more timely and robust process for a regulatory cost-benefit analysis.

9. **More Attention to Ensuring that Implementing Regulations Reflect Legislative Intent**

Agencies must often write regulations to implement legislative mandates given to the executive branch. This process involves determining the intent of the legislature as the implementing regulations are formulated. A common approach is for the agency to hold public hearings and receive testimony from interested parties. The difficulty of adhering to the legislative intent arises when various interest groups lobbying for such legislation have differing objectives or "intents" in their support of the legislation. The agency must ferret out these differences and attempt to design regulations which first are consistent with the actual language of the legislation, while also being mindful of the range of interests which may be affected.

Roundtable participants expressed concern that the legislative intent was not always followed in these implementing regulations and the intended objectives were often not achieved. Several recommendations were made to address these concerns: include the legislative sponsors in the rulemaking process; have the regulatory staff review the new legislation before it is signed by the Governor; seek more input on the State's interpretation of legislative intent from participants in the legislative process; and solicit public input earlier in the rulemaking process.

III.   Recurring Suggested Solutions

The Roundtable participants offered a wide and varied range of solutions to the red tape issues identified above. Many of the same or similar solutions were voiced in several of the Roundtable sessions.

Customer-Oriented Culture

In addressing the issue of the need for developing a customer-oriented culture, a number of participants recommended that the Governor should set the tone through his leadership by viewing problems from a customer perspective, and rewarding agency actions that reflect this new perspective.   Part of establishing a successful customer service orientation is having the necessary tools and information available to agency staff to respond appropriately to customer inquiries. In a complementary arena, having customer-friendly websites which provide better guidance and easy navigation, along with the use of more state-of-the-art information systems would greatly improve customer service.

Delays in Permitting and Licensing

With respect to delays in obtaining permits and licenses, participants at several Roundtables recommended that an internal transparent tracking system be implemented to help address the problems of delay by keeping agency personnel aware of the status of requests. In some cases, this same information could be available to businesses and citizens on the agency's website. Many private sector businesses that provide internet consumer shopping services use this feature. Other participants suggested setting and monitoring performance measures for getting responses to citizens, and making those measurements available to the public.

Information Sharing and Better Communication

Information sharing and better communications using state-of-the-art technology was a frequent suggestion for improving agency coordination. Use of common databases of information could significantly improve the speed, accuracy and efficiency in the filing, processing and retrieval of information. One participant suggested that the State should have a "google-type cloud" for access by all agencies.

Another suggested an inter-agency employee exchange program for agencies which could work together on common or related problems. One very innovative idea for consideration was the addition of a legislative "affinity" note, similar to the fiscal note now required, which would identify all the agencies that would be involved or affected by the proposed legislation.

Regulatory Review

When it came to regulatory review, numerous participants voiced support for regular and thorough review of both new and existing regulations to evaluate their effectiveness and continued need. At a minimum, some felt that regulations need to be reviewed every three to five years from a "zero based" approach.   A related recommendation concerning new or proposed regulations was that better fiscal impact information should be made available to the public.   Some felt that in many cases, the cost-benefit analysis of the impact of major new regulations is either missing or poorly presented.

State Advocacy with Federal Agencies

Some participants felt that the State was not enough of an advocate for business and agricultural interests in their dealings with the Federal government. They recommended that the State should participate more often in the federal rulemaking processes, e.g. the National Environmental Policy Act, as a cooperating agency in order to have a voice in matters that affect businesses in Colorado. Another suggestion was to alert potentially affected parties through a website which posted regular notices and information on new and proposed federal regulations that would apply to business and agricultural interests in the State.

Information and Guidance from State Agencies

One matter that gained significant attention at the Roundtables was the difficulty in getting helpful information and guidance from State agencies. Participants stated that agency websites are not friendly to users and do not offer good guidance as to the proper place to go to resolve issues and get basic information. Roundtable participants suggested designating a "go to" person in each agency, who could help citizens find their way through the systems. Participants in several Roundtable sessions urged the adoption of a 311 call center for the State similar to the system implemented in the City and County of Denver.   Another idea discussed by participants was for each agency to have a common starting webpage that would be the same in format and contain a basic agency description, contact information and reference guide to available information and material.

Balancing Risks and Opportunities

An interesting issue raised by several participants was the need for a better balance between managing risks and enabling business and community interests to pursue their respective goals. It was noted that a regulatory philosophy of essentially total risk aversion is unrealistic, impractical, often cost prohibitive and tends to stifle innovation. In many ways, such an approach is again reflective of a culture with a focus on government itself. It was observed that designing an appropriate regulatory structure and establishing the perimeters for compliance and

enforcement should take into account an assessment of risks, as well as effectiveness. Regulators should have a solid understanding of the actual landscape in which the regulated entities and individuals function in the real world. A constant refrain heard throughout the Red Tape Reports was that a "one size fits all" approach will invariably lead to significant disconnects in the effectiveness of the regulatory regime.

Changes in Personnel Practices

Participants expressed frustration with the lack of flexibility given to agency personnel to make discretionary decisions when warranted by the circumstances. They perceived that agency staff were afraid to take risks, and generally defaulted to giving the standard "in the box" response to problems. Employees need to and should be given "permission" by management to engage in more problem-solving as they work *with* businesses and citizens to address issues.

This suggestion was complemented by the following related recommendations:

- Provide better preparation and training for staff and new personnel
- Encourage and enable staff to reach out and interact with external stakeholders through participation at meetings, legislative hearings and other activities to broaden perspective and awareness of practices and emerging issues
- Provide educational opportunities for employees in the mechanics of excellent customer service
- Evaluate prohibitions on outsourcing in circumstances where outsourcing would be more efficient and cost-effective for the state
- Provide more effective cross-training to better leverage limited resources.

Inter-Agency Coordination

With the proliferation of multiple programs and regulations at various levels of government to address our social, economic and environmental problems, participants reported that they were often faced with overlapping, redundant or conflicting provisions, and little information with which to design effective responses. One recommendation was for the State to designate a "lead" agency that would have primary jurisdiction over the subject matter, and which would be responsible for coordinating and reconciling these confusing directives, and for providing businesses and the community with a clear roadmap for compliance.

The following ideas were offered in support of this suggestion:

- Establish inter-agency work groups to facilitate businesses' ability to navigate complicated regulatory requirements
- Revise and implement a more robust cost-benefit analysis process, as well as

a regulatory and fiscal assessment to help identify social, financial and economic impacts of proposed regulations.

Improved Communications

Participants underscored the importance of early and frequent communication with state agencies in order to avoid potential conflicts and unintentional non-compliant responses to rules and regulations. In pursuit of this objective, the following recommendations were made:

- Solicit earlier input in the rulemaking process from adversely affected stakeholders
- Establish more effective communication with business communities during rule making process and after implementation
- Create an ombudsman for boards and commissions to deal with complaints prior to invoking formal proceedings
- Continue the "Pits & Peeves" Initiative as a mechanism for ongoing engagement and dialogue with stakeholders
- Establish a universal "help desk" which can facilitate resolution of issues and eliminate regulatory roadblocks.

More Transparency in Administrative Rulemaking

Several suggestions were made to address the problem of proliferating policy directives and potentially misguided interpretations of legislative intent. The following ideas were proposed:

- Limit the use of policy and guidance directives as a substitute for full rule making proceedings which allow for more public participation and input
- Provide more specific information as to the agency's interpretation of the legislative intent
- Create more interactive websites as a communication tool for notices and information on new/revised regulations.

Greater Public/Private Collaboration and Partnerships

Government at all levels is engaging the advice and counsel of experienced businesses to find effective solutions to the challenges of effective government. The increasing use of public-private partnerships is just one example of this trend. The participants recognized this trend as an opportunity and made some similar suggestions:

- Engage the private sector in more frequent dialogues to better understand how to improve government services, e.g., what might be the most effective and viable ways for the State to facilitate economic development and job

growth

- Identify and replicate successful training models in the private sector with respect to improving customer service.

Better Utilization of Technology

The average citizen is becoming accustomed to and more desirous of the benefits and services provided by advances in technology, as evidenced by the near universal acceptance and use of cell phones, email, web sites and text messaging as means of interactive communication. Participants would like to see the State better utilize some of these same technological advances in providing information and access to governmental services. Along these lines, related suggestions included:

- Implement the use of unique universal identifiers to improve accuracy and access to information and to reduce the necessity for multiple submissions of essentially the same information to different agencies or even within the same agency
- Create transparency in the licensing process through the use of tracking systems that can monitor and report status in real time
- Provide a live "chat" option with agencies
- Use technology, such as webinars, webcasts, video, to enable customer access in remote or rural areas
- Update and organize agency websites to be more accessible and user friendly, e.g., the public should be able to access information regarding the services provided by the agency without having to know the internal organizational structure of that agency.

IV.   Progress in Motion: Administration Responses

As part of the Pits and Peeves Roundtables Initiative, it was important that the information, findings and input from the participants be shared and discussed more broadly with Cabinet members and executive senior staff. As mentioned earlier, all of the Red Tape Reports have been submitted to the appropriate State agencies for a specific response to the submitting individual or organization.   In addition, an internal stakeholder session was held for those agency executives whose departments or agencies were the subject of substantial or noteworthy Red Tape Reports or comments during the Roundtable discussions. At this important meeting, Cabinet members were asked to identify the key existing or proposed initiatives in their departments which related to the group of common, systemic themes derived from the Roundtable sessions.

A number of State agencies indicated that they had already undertaken efforts which address many of these common issues. The following section of this Report highlights some of these efforts.

Customer Service Oriented Culture

The **Colorado Department of Labor and Employment** (CDLE) is examining in every division how it does business, both internally and externally. The Department has a goal of "establishing a culture of employee engagement and accountability resulting in high performance." CDLE is assessing (1) who are the Department's customers; (2) what their needs are and how to better serve them; (3) how best to have both a productive and engaged workforce by seeking employee input via twice yearly engagement surveys, all staff meetings, employee suggestion boxes in each division; and (4) how all of our systems and processes work to provide efficient, effective and elegant service.

CDLE has engaged their workforce in discussions around measurable values and behaviors and the Department is working to ensure that everyone, from the top down and bottom up, is held accountable for their performance. The CDLE leadership team will be focusing, in the first year, 10 to 20% of its time on coaching and mentoring. Also, the Department's training programs are being re-evaluated. Additionally, to meet their goal of "increasing Customer satisfaction," CDLE is developing customer surveys, and gathering data from both internal and external customers.

The **Department of Personnel and Administration** (DPA) has completed the first-ever statewide employee engagement survey, designed to obtain feedback from employees on their work environment and identify innovative ideas for improvements. Based upon feedback from the surveys, action plans will be

developed to provide direction to managers and supervisors for implementing appropriate improvements. These action plans will serve as the guides for making improvements systemically as well as at the specific program and work group level.

Recognizing that the State's workforce can be enhanced through improvements to the State Personnel System, including the State's human resources function, the Department is leading the Talent Agenda initiative that will determine constitutional, legislative, and/or administrative reforms, as appropriate, to improve the State Personnel System. This effort will evaluate and assess shared services capabilities for the human resources function within the State with an initial focus on selection, training, and benefits administration. Through an improved state classified system and more effective human resource functions, the quality and productivity of state employees in general will be improved.

The **Department of Regulatory Agencies** and the **Department of Local Affairs** have collaborated on a joint effort to establish a system that will provide an on-line portal for continuing citizen input to help make government more responsive and efficient. The system will include an automated tracking system to ensure appropriate follow-up is accomplished. This opportunity for continued interaction will help to grow citizen ownership and confidence in their state government.

The **Office of Information Technology** (Office) has established *Customer Success* as one of its six priorities. In July, the Office released its FY12 Playbook which identified specific steps that will be taken during this fiscal year to improve its focus on customer service. A customer communications plan will be established along with conducting a customer satisfaction survey and modification of service level agreements to establish clear expectations for the consistent delivery of IT services. Although the Office's direct customers are state agencies and departments, and not the individual citizens, the IT services provided to the state agencies and departments directly impact the services that, in turn, are provided to Coloradoans.

The **Colorado Department of Public Health and Environment** (CDPHE) has adopted a long-term customer service action plan. For example, the Health Facilities Division believes that most complaints regarding regulations, licensure requirements and fees, survey protocol and plans of correction, can best be addressed by contact with the stakeholders directly. The Department has made a commitment to involve stakeholders early in all decisions by active engagement with associations, advisory councils and citizens through its web portal available to all interested parties. In the coming six months, the CDPHE staff will make themselves available to all organizations for face-to-face exchange of ideas.

CDPHE is going forward, with open dialog, to reduce redundancy, increase collegiality and promote a culture of transparency.

The **Department of Revenue** (DOR) has many initiatives in the area of customer service. DOR recently implemented Phase IV of the Colorado Integrated Tax

Architecture project. Phase IV provides the customer with the ability to access the following functions on-line: make tax payments, view balances, amend a tax return, file a protest, change an address, view an income tax refund status, view payment history, view letters, and add a power of attorney. More features will be available in the fall of 2012, and when the final phase of this project is implemented.

DOR will be forming a working group that includes business tax stakeholders to work on ways to address the lack of uniformity in how taxes are collected across jurisdictions. This is an effort that has arisen out of the Governor's Colorado Blueprint. DOR will also be working over the next several months to develop an overarching outreach and communications plan that addresses accessibility and transparency with its customers.

Streamlining Regulatory Processes

The **Colorado Department of Transportation** (CDOT) is responding to customer feedback and audit recommendations by implementing a comprehensive re-engineering of its contracting processes. Several improvements are being made that will result in shorter timeframes, consistent customer service and tracking of key performance indicators. Planned and/or already implemented improvements include:

Contract templates – contract templates have been officially approved by the Office of the State Controller (OSC); this will eliminate the need for OSC review when contracts are executed "on template."

Electronic workflow – a new software program will auto-populate the contract templates via inputs on the Purchase Orders; the program will then route these contracts documents through proper input/approval steps and track the associated timeframes.

Key Performance Indicators – new metrics have been established for CDOT to communicate to users as well as internal and external customers on timelines, number of contracts and expenditures.

Communications Plan – an enhanced communications plan will keep CDOT employees and external stakeholders up to date on the progress of the contract improvement initiative.

Training – additional training will be provided to contract writers help business units write complete statements of work.

Process Streamlining – the contract process has been reviewed, process steps have been reordered for efficiency and redundant steps have been eliminated. Because CDOT recognizes the need to improve customer facing processes, including

the issuance of permits, the Executive Director replaced the department's Deputy Director position with the Director of Process Improvements, who has been tasked to identify and improve CDOT business processes, including the issuance of permits, which have significant relevance to CDOT's customers.

The **Colorado Department of Labor and Employment** (CDLE), through its strategic initiatives on process improvement ("Reform and Improve Key Process"), technology (Implement Optimal Technology solutions to deliver timely and accurate customer service) and outstanding customer service ("Increase Customer Satisfaction") is reviewing in each of their divisions first, what the department is asking of employers/businesses in the state, and secondly, how it can make compliance with such requests easier.

CDLE recognizes that communication is key to this endeavor and each division has established stakeholder/constituency outreach groups to meet with on a regular basis. As part of these initiatives it is looking at using technology to simplify its processes, including: conducting an analysis of current technology platforms; creating a technology Roadmap; identifying current staff and resources; strengthening its relationship with Office of Information Technology; and replacing the department's older systems. CDLE also has a long-term commitment to upgrading its technology and databases in UI, Oil and Public Safety and Labor. As that technology is upgraded, CDLE is working to ensure that its databases can "talk" to each other in order to share data and information.

The **Colorado Department of Public Health and Environment** (CDPHE) will be increasing its efficiency and effectiveness in many areas, including its wastewater application process, design review process, and air permitting process. Utilizing principles of LEAN (a process improvement methodology), CDPHE will be reviewing its internal and external business processes to increase performance and reduce/eliminate waste. CDPHE has begun this improvement process by hiring LEAN contractors and scheduling several LEAN events.

The Air Pollution Control Division (APCD) has recently taken steps to find additional help to address its backlog of permits. The Division has hired a second air quality modeler; has used a one-time EPA fund to hire two temporary permit engineers; and has hired or is in the process of hiring four new temporary permit engineers. These permit engineers have specifically been hired to help with the oil and gas permit backlog. However, a reduction in this specific area of permit backlog should help the Division reduce the overall permitting backlog.

The APCD is working with the Colorado Oil and Gas Association (COGA) and has agreed to track certain metrics e.g. number of Air Pollution Emission Notices (APENs), or permit applications waiting supervisor approval; number of APENs in process with engineers; number of APENs waiting to be assigned; total number of APENs in the backlog; number of APENs signed off by supervisor to accounting; and number of APENs received from industry during the past month with a goal of

eliminating the oil and gas permitting backlog by the end of December 2012. APCD meets monthly with COGA to track progress and see where they are on the glide path. The metrics were also developed to give COGA some assurance to help fund (recently hired and currently term limited) permit engineers to help address the backlog. As of the end of July 2011, APCD is generally on track or slightly ahead of schedule (i.e., the backlog is about where we expected it as of July 2011). Moreover, the projected backlog is estimated to go from 1,740 in July 2011, to 118 in December 2012.

The Water Quality Control Division (WQCD) currently has a stakeholder process underway that provides stakeholders an opportunity to communicate concerns and to work collaboratively with the WQCD as it develops strategies to address issues raised. One result of this process was the modification of the regulations to allow applicants to request a streamlined final design review and approval process.

The **Department of Revenue** is working on minimizing delays in its driver's license offices. It is working to implement systems and processes that will reduce wait times and allow customers to schedule appointments. It is also looking at better ways to ensure that the customer is aware of all of the necessary information/documentation that will be required up-front to obtain their driver's license in one stop. It is expected that these systems improvements will be implemented in phases, with Phase I scheduled for completion in January 2012, which is on target, and Phase II completion scheduled for July 2012.

The **Secretary of State**, **Department of Labor and Employment** and **Department of Revenue** partnered together to introduce and launch Colorado Business Express ("CBE"). CBE enables business owners to go online and set up a business with all 3 departments at one time. The program captures name, address, other business information, and allows them to pay the set up fees online as well.

As a separate initiative, the **Department of Regulatory Agencies** (DORA) has committed to establishing a state-wide "Regulatory Help Line" which will provide another source of assistance for small businesses, licensees, regulated entities, and citizens in resolving regulatory roadblocks, and in getting questions and complaints to the right agency and contact person. The help line will be accessible through an online web portal and supported by the DORA Call Center, which will have the capability to monitor and track the status of an inquiry through resolution. It is anticipated that the help line will be operational in early 2012. To the extent that departments implement the Agency Concierge recommendation, See Part V, the "Regulatory Help Line" will be coordinated to avoid duplication of function.

Greater Agency Coordination

Shortly after being sworn in as Governor of Colorado, one major new initiative of the Hickenlooper Administration was promulgated in **Executive Order (EO) D2011-005 - "Enhancing the Relationship between State and Local Governments**," (EO

5). This EO demonstrated the Governor's commitment to strengthening the relationship between the state and local governments by ensuring that no State agency shall promulgate any regulation creating a mandate on local governments unless the mandate is specifically required by federal or state law, the agency consults with local governments prior to the promulgation of the regulation, and the state government provides the funding necessary to pay for the direct costs incurred by local governments to comply with the mandate.   More specifically, this EO directs each State agency to develop a process to actively solicit the meaningful and timely input from elected officials and other representatives of local government in the development of regulatory proposals affecting them. This directive underscores the need for more and better intergovernmental cooperation.

The **Department of Local Affairs** (DOLA) has taken the lead to coordinate work across local governmental organizations, state agencies and the Governor's office to develop an inclusive process for ensuring full implementation of EO 5. DOLA, working with key stakeholder partners such as the Colorado Municipal League, Colorado Counties, Inc., the Special Districts Association, the Association of School Boards, and key state agencies, has facilitated the development of an internet-based, interactive tool and database to assist with communication between and among state agencies and local governments prior to and during the development of regulations affecting local governments. It is expected that the implementation plan for EO 5 will be completed and operational in January, 2012.

The EO 5 effort utilizes a phased process to communicate with local governments:

1. State agencies engaged in rule making will communicate with local government(s) via email on the conceptual idea of a potential rule to solve or prevent a problem, which should provide for very early consultation and input.

2. State agency will request input from local governments via an electronic survey to determine:

    a. Local governments' perception of how to solve the problem identified, which could include alternative means to the contemplated regulation;
    b. If alternative methods are not possible to solve the problem, ways in which to partner with local government in the development of an appropriate regulation; and
    c. Description of any anticipated costs to local government if the proposed regulation is implemented.

3. State agency must determine if the rule being considered is an unfunded mandate.

4. State agency must document its communication with the local

government, its determination if the agency's proposed rule is an unfunded mandate, and if so, of what type.

5. State agency forwards its documentation of communication with local government to the Office of Planning and Budgeting, which reports to the Governor's office. This report will validate if the appropriate communication and determination of the type of mandate occurred. The Agency proposing the regulation will work with Governor's office for next steps if it is determined the proposed regulation imposes a mandate.

6. As the last phase of implementing EO 5, all state rules affecting local governments will be reviewed by the Governor's Office of State Planning and Budgeting to ensure full compliance with the Executive Order.

The **Colorado Department of Labor and Employment** (CDLE) regards other state agencies as its partners/stakeholders in much of what it does. As such, greater coordination is an absolute necessity to successfully achieve the Department's goal of "Increasing opportunities with strategic partners and stakeholders to provide value to Colorado." To do this, CDLE will (1) determine and assess its existing partnerships; (2) conduct a gap analysis and identify additional partnerships and resources needed; and (3) conduct ongoing partner and stakeholder feedback.

Two examples are worth noting. First, its Colorado Workforce Development Council is taking the initiative in working with other agencies (Department of Human Services, Office of Economic Development and International Trade, Department of Higher Education and the Department of Corrections) as well as the Community College system, to ascertain the existing job training programs around the state, eliminate redundancies, maximize resources and collaborate, rather than compete, for various resources and grants. This will provide both employers and job seekers with a more aligned workforce and training system.

The CDLE Oil and Public Safety Division and the Colorado Department of Public Health and Environment have reached agreement on use of a Federal 128 grant for brownfield site cleanup, of which 25% of the grant has been designated for petroleum cleanups. Both Departments work closely on site cleanups where there is overlap to encourage greater efficiently and effectiveness. Both agencies meet jointly with owners, developers and local governments to facilitate cleanup solutions and leverage both Departments' funds.

In addition, these agencies and departments are jointly conducting outreach and making presentations across the State promoting redevelopment of contaminated properties and explaining how the State can help with the cleanup.   They are also collaborating with the Office of Economic Development and International Trade and federal and local entities to promote cleanup developmental opportunities.

CDPHE has recognized the CDLE Division of Oil and Public Safety as an implementing agency related to Colorado groundwater standards for petroleum contamination. This has been done to allow more efficient changes to standards, and has resulted in more timely modifications to standards and more effective implementation.

Lastly, CDPHE and the Division of Oil and Public Safety share an emergency response line so that if a spill occurs, it can be responded to quickly and efficiently with reduced runaround for the entity or person reporting the spill. Basically this collaboration has created a one-stop shop for reporting spills.

The **Department of Personnel and Administration** (DPA) is in the process of evaluating both procedures and organization structural for their contracting and procurement functions.   An evaluation of the State Purchasing Office and related activities is currently being finalized by an outside organization. Further, some internal organizational changes and new processes and procedures are currently being implemented within the State Purchasing Office. Subsequently, an evaluation of the purchasing and contracting processes statewide will be performed.

The **Office of Information Technology** (OIT) has several major initiatives planned that will increase coordination among state agencies and departments. First, it is launching the Colorado Information Marketplace (CIM) which will enable cross-agency data sharing based on standards, such as NIEM (National Information Exchange Model). The Colorado Information Marketplace will be governed by the Government Data Advisory Board and will be focused on enabling data transparency and sharing information directly with citizens. OIT will also leverage data across departments and other public entities so that it can improve the services delivered to the citizens of Colorado.

Second, OIT is looking into creating a statewide intranet for better collaboration and information sharing among the 30,000 state employees. Additionally, it is developing and initiating an email, productivity software and collaboration consolidation strategy.

The **Colorado Department of Corrections**, in collaboration with the Departments of Public Safety, Human Services and Labor and Employment, hosted the *Symposium on Offender Re-Entry: Identifying Gaps and Building Bridges for the Future* on September 14, and 15, 2011. There were 150 participants at this event held at the Arapahoe Community College, including representatives from the Colorado Commission on Criminal and Juvenile Justice, the State Parole Board, and several community re-entry partners, as well as the aforementioned state agencies. Organizations dedicated to providing offender re-entry services such as housing, employment, supervision, substance abuse treatment, and mental and physical health awareness were all represented. The primary goal of the session was to strengthen collaborative efforts and enhance strategic partnerships to improve outcome opportunities for offenders returning to Colorado communities, resulting

in lowered recidivism rates, fewer crime victims, and safer Colorado Communities.

To sustain the momentum created at the Symposium, an Inter-Departmental Re-Entry Steering Team was established in collaboration with Executive Directors Davis, Bicha and Golombek, as well as Reeves Brown (DOLA) and Kristin Russell (Governor's Office of IT). The Re-Entry Steering Team will determine strategies to reduce offender recidivism by enhancing outcome-based, community re-entry opportunities through a collaborative effort of state agencies and community resources.

Review of Existing Rules and Regulations

In pursuit of the Administration's goal to make government more effective and efficient, each of the State's principal departments is presently and actively engaged in the process of reviewing its existing rules and regulations to evaluate and determine the continued need, appropriateness and effectiveness of those regulations. The review process is intended to identify and eliminate those rules that are redundant, obsolete, inconsistent or unnecessarily burdensome, and to clarify and streamline the remaining regulations.

The **Colorado Department of Transportation** (CDOT) has undertaken a comprehensive review of agency rules for the first time in decades. Many of CDOT's rules were out of date decades ago. This comprehensive review is focusing on three key elements.

Repeal of Rules - CDOT is analyzing every rule to determine if it is valid and necessary. If not, the rule will be repealed. Additionally, it is examining whether similar rules can be combined into a single rule for simplicity and ease of viewing and understanding for the public. As of January 1, 2011, CDOT had 31 official rules. By the end of 2011, three of those rules will have been repealed. (One rule was repealed outright while two others incorporated other rules for the ease of public viewing and understanding.)

- Tourist Oriented Direction Signs (TODS) Rules, 2 CCR 601-12: Rules repealed effective September 14, 2011. CDOT had two separate rules pertaining to business and tourist information signing on highways and interstates. These are very similar programs, with similar rules, and the Department utilizes the same contractor to manage both programs. Yet if a business was interested in obtaining a highway sign for its business, and looked to CDOT's rules for direction and information, the business would not be likely to realize there were two separate sets of rules related to signage. CDOT has now combined these rules into the Specific Information and Business Signs (LOGOS) rule, 2 CCR 601-7, effectively putting the rules for both programs into one rule for the convenience to our business customers.

- <u>Rules for Special Events or Civic Functions on State Highways, 2 CCR 601-5:</u> This rule was repealed October 20, 2011, with an effective date of December 15, 2011. It stated that for any special event or civic function on state highways, the entity wishing to sponsor the event must receive a permit from CDOT, and cited a statute that had been repealed in 1994. Unfortunately, CDOT's rule was never repealed, creating confusion for any entity, including local governments, wishing to sponsor events on the state highway system. The rule even required submission of a form that is no longer used by CDOT to obtain permission for these special events.

  As CDOT moves into 2012, the department plans to continue the rule review process with the potential for several more rules to be repealed or incorporated into other similar rules.

  Updating of Rules - In addition to the rules that have been repealed, CDOT has updated several other rules, including:

- <u>Emerging Small Business (ESB) Rules, 2 CCR-604-1.</u> New rules effective September 1, 2011. By making changes to better enable the ESB Program Rules, CDOT hopes to increase and improve the opportunities for small businesses to participate in CDOT construction and consulting projects as prime contractors and subcontractors.

In September, 2011, the **Department of Human Services** (DHS) announced that it had completed a comprehensive review of the more than 4,300 rules in the Department. This effort, which involved 63 DHS employees over several months, was the most extensive rule review ever undertaken by the Department.   As a result, the Department is recommending to the State Human Services Board the repeal of 841 rules, and the revision of an additional 2,116. The proposed repeal and revision of the rules are fundamentally focused on updating, reducing, revising, clarifying and, in many cases, consolidating public assistance rules that serve low-income families, persons with disabilities, and older adults, will result in county staff who will be freed up to work smarter, not harder for their consumers.   A few examples include:

- Eliminating rules that prescribe accounting practices that create an additional layer of unnecessary process for county departments who appropriately rely on applicable fiscal policies and procedures.

- Deleting three portions of Child Welfare Rule (7.406.1 (CC), (JJ), (KK)) that deals with program requirements for county reimbursement that are unnecessarily prescriptive for county staff.   The repeal of this portion of the rule will eliminate reporting requirements that do not add value and will reduce related time for county staff.

- Eliminating policy statements from every child care licensing rule that includes its own policy statement. Traditionally, the Division promulgated a policy statement that served as the first section of a rule. Licensed facilities felt burdened by these policy statements as they were unsure whether they must in some way try to adhere to the policy statements and the implied compliance requirements. These policy statements resulted in unenforceable portions of rules, and could be construed as "red-tape" that was burdensome without adding value.

- The Low Income Energy Assistance Program is modifying definitions and streamlining rules to create consistency across program areas, and (where possible) aligning and consolidating program requirements. This effort will impact applications, forms, application processes and correspondence with the individuals and families the Department and its partners serve. These changes will eliminate obstacles and unnecessary steps for county staff, and make the application of the program more equitable across the State.

Even though the **Department of Local Affairs** (DOLA) does not have an abundance of rules and regulations over local governments, the Department has identified all of the rules that have been promulgated and will review each one to assess their necessity and appropriateness. Moreover, DOLA will continue to work with legislators on new legislation that incorporates policies and procedures rather than the promulgation of rules.

The **Department of Revenue** (DOR) has hundreds of rules and regulations covering areas ranging from income taxes, to gaming, to medical marijuana. DOR will be working over the next several months to review all its rules and regulations and determine which ones are still relevant, which ones need to be revised, and those that are obsolete and can be repealed.

The **Department of Regulatory Agencies, Division of Registrations**, reports that as of June 2011, the Division had a total of 787 rules in place for 35 boards and programs. The review process over this past year has resulted in:
- 655 rules reviewed
- 479 rules modified
- 164 rules repealed

An additional 154 rules will be reviewed and evaluated in the coming months.

Following are just a few examples of rules which were found to be outdated, unnecessary or redundant, and which were modified or repealed.

Board of Nursing. Chapter I was revised to streamline processes and create efficiencies within the Division and Board of Nursing. It will assist in the processing

of license applications. The changes in the overview of educational courses are business friendly to the programs creating their curriculums.

Colorado Medical Board. Three rules required oversight on matters that were also controlled by other authorities. Since the Medical Board's oversight was duplicative, the rules were deleted (Rules 150, 155, 500).

Office of Outfitters Registration. The Office repealed and modified rules to ease the regulatory burden and requirements on outfitters providing single-day trips and streamlined contractual requirements for outfitters offering multi-day trips.

Examining Board of Plumbers. The 'alternate material process' was revised to eliminate the need for multiple variance requests that must be reviewed by the Board.

Boxing Commission. The Commission reviewed over 200 rules, revised 90 and repealed over 100. The changes bring the regulatory framework for boxing, mixed martial arts and kickboxing in Colorado in line with national trends and regulations. The revisions clarified requirements for contestants and promoters while removing several obsolete rules and regulatory burdens.

Also within the **Department of Regulatory Agencies,** the **Division of Real Estate** reviewed the rules of the Real Estate Commission (Commission) and the Board of Real Estate Appraisers (Board). The Division identified 24 Commission rules and 114 Board rules ripe for repeal or revision, based on lack of clarity, duplicative, overly burdensome or obsolete practice standards or requirements. In one instance, it was determined that an entire chapter, containing 5 Board rules, imposed disclosure requirements on individuals who were in fact exempt from the licensure law. This chapter is being repealed in its entirety. It is anticipated that the rules repeal and revisions by the Board will be completed and effective as of January 1, 2012, and by the Commission in early 2012.

Effective Use of Available Technology

Better use of new technology is key to the **Office of Information Technology** (OIT) strategy. The OIT goal is to provide strategic solutions using emerging technologies that align with the business needs and deliver long-term value for the state and its citizens. It has the following initiatives planned for the current fiscal year to bring it closer to achieving this ideal: First, OIT will kick off tech forums on new technologies to insure OIT employees are up-to-date on the latest and greatest developments in the field. And secondly, OIT will establish a public/private research and development team to explore new trends and technology.

Additionally, OIT is developing a cloud strategy and technology roadmap which will establish how it will use, standardize and leverage newer technology and solutions that are available in the market.

The **Colorado Department of Health Care Policy and Financing** (HCPF) is addressing both a better use of technology and improved agency coordination. A 2009 Commonwealth Fund study found that the citizenship and identity requirements contained in the Deficit Reduction Act resulted in making it more difficult to get and keep children and families covered by health insurance. The study found that the Act increased the complexity, administrative burden, and the cost of processing applications. In response, HCPF received a federal grant from Health Resources and Services Administration to establish interfaces between existing databases to reduce the number of documents applicants need to apply. Through better use of technology and coordination with the federal government, the Department is able to more efficiently and quickly serve potential clients.

In August 2011, HCPF launched the first of several interfaces between the Department's eligibility system, Colorado Benefits Management System (CBMS), and existing federal and state databases. The first interface between CBMS and the Social Security Administration automatically verifies citizenship and identity. This automatic verification reduces the burden on applicants to provide original U.S. citizenship and identity documentation. The second interface between CBMS and the Colorado Department of Labor and Employment (CDLE) Income and Eligibility Verification System (IEVS) automatically verifies the self-declared income of applicants and current clients. The IEVS system extracts wage information reported from employers to CDLE and automatically populates the wage information into CBMS. This interface eliminates the need for clients to bring in pay stubs and other work documentation, automatically updates changes in wage information, and reduces the amount of manual entry for our eligibility specialists.

Go-to Person

The **Colorado Department of Labor and Employment** (CDLE) has five department-wide goals/themes which focus on: Partners and Stakeholders; Technology; Process Improvement; Customer Service and Culture of Engagement and Accountability. Information regarding these goals, once solidified, will be available on the Department's website.

The intent is to assign an internal "go to" person who will function as the Department champion of the strategic goal associated with the overarching initiative. As a champion, each "go-to" designee will be responsible for:

- Ultimate success of their goals;
- Ensures operating gaps are identified and corrective action is planned and initiated;
- Championing effort with other executives and employees;
- Communicating the nature and importance of the strategic theme to all employees (using various methods and colleagues);

- Providing leadership and challenging all parts of the business working on the initiative;
- Removing barriers and road blocks;
- Ensuring that the strategic theme retains priority;
- Serving as a change advocate; and
- Ensuring required resources are committed to the effort to accomplish the end goal.

V.   Next Steps – Moving Forward

The Pits and Peeves Roundtables helped to clarify the nature of the governmental red tape problems that frustrate Colorado's businesses and citizens, and introduced some innovative and common sense approaches to addressing those problems. The problems identified aren't new, but several factors increase the likelihood that the solutions proposed will be able to have a real impact on the identified problems: the existence of new and proven technologies to support agency efforts to increase effectiveness and efficiency; an appreciative awareness, at all levels of the Administration, of the need for change; and the present political will and leadership to make necessary changes happen.

The body of work resulting from the Initiative will help inform the ongoing changes and improvements that will be implemented by the various State agencies as efforts continue to meet the three "Es" mandate from Governor Hickenlooper. However, we recommend that the following proposals be considered for immediate implementation across State agencies. These proposals address some of the key structural and systemic red tape issues identified by the Roundtable participants, and provide an opportunity for significant improvement in the way State government interacts with and serves its business and consumer customers.

Agency Concierge

One of the most common complaints lodged during the Roundtable sessions was just how difficult it is to find the "right person" to talk with in an agency to get an issue addressed or a question answered. Numerous participants related stories of frustration and anger resulting from being transferred from one agency staff person to another or being put "on hold" for inordinate periods of time. These experiences left participants feeling that government is inept or just doesn't care about its customers.

To minimize or eliminate this frustration it was recommended that an "agency concierge" or "go-to person" be designated in each department who would act as a clearinghouse, source of information and help guide individuals to the appropriate contact person within the department.   As a practical matter, it is likely that in most agencies, concierge services would need to be provided by a small dedicated team of front line employees. The agency concierge concept builds on lessons learned in the private sector. When a retail store's employees are knowledgeable, welcoming and helpful, customers leave with a good feeling and are more likely to adopt a preferential attitude about that store. Government should be able to do a better job in helping its "customers" achieve the same kind of satisfaction.

The "agency concierge" would be able to help regulated entities as well as the

general public efficiently locate the right office, person or program to address their inquiry. Each concierge would need to be carefully selected, trained and managed to insure the positive performance outcomes that are anticipated. The name and contact information for the agency concierge would need to be easily found on each agency's website and through each agency's other informational sources. Designating an agency concierge would provide a much- needed service and would represent a major shift towards creating a customer-oriented culture.

Regulatory Facilitation Teams

Many business representatives at the Roundtables expressed the need for assistance in navigating the complex maze of agency rules and regulations. Businesses often require advice and compliance assistance from more than one State agency, or help in deciphering overlapping federal requirements. These issues are often complicated and technical, and without State assistance, business owners must seek advice and compliance assistance from private lawyers, accountants, engineers, business consultants and other professionals. Such services are costly, which many small businesses can ill afford.

Establishing "Regulatory Facilitation Teams," would help to address this problem. Teams should be aligned around the industry clusters identified in connection with the Blueprint Colorado, and charged with providing support and guidance to businesses in each respective cluster with respect to permitting, licensing, registration and other aspects of regulatory compliance requirements. Teams could be formed on an ad hoc basis and be comprised of representatives from the departments impacting each cluster. For example, the regulatory facilitation team for a bioscience cluster would include representatives from the Colorado Departments of Public Health and Environment, Regulatory Agencies, Revenue, Higher Education and Labor and Employment.

The mission of the facilitation teams would be to work, on a collaborative and coordinated basis, to assist the businesses in each cluster in finding solutions to regulatory barriers and in identifying the path to achieving compliance in the most cost-effective and efficient way. Each team would be able to provide a single point of entry into the regulatory processes that impact the business groups in each industry cluster. Team members should be experienced agency personnel who bring a customer-oriented, "problem-solving" approach to providing business support. It will be critical to the teams' success that teams be given the tools necessary to design and execute appropriate solutions.

In addition to providing direct support to the businesses within their cluster, the experience of working directly with businesses is expected to provide team members with valuable insightful and timely information regarding improvements that should be made in the regulatory regimes and government systems affecting the respective industries.

Periodic Rule Review

In almost every Roundtable session, participants identified the problem of outmoded, overlapping or ineffective regulations.   As described earlier in this Report, most of the State's agencies have already initiated early efforts to identify, modify or repeal unnecessarily cumbersome or obsolete regulations, in some cases, for the first time in many years.   Nevertheless, there is a continuing need to periodically review and evaluate regulations to keep government current and running efficiently. Such a review should become a core component of an agency's administrative processes, and not an occasional add-on.

To address the need for on-going, periodic review, it is recommended that the Governor should issue an Executive Order that requires each principal department and state agency to conduct a review of its rules and regulations to assess the continuing need for, appropriateness, and cost effectiveness of its rules. Whenever possible, regulatory review schedules would be shared with businesses, the general public and other state agencies to facilitate collaboration and help reduce adverse regulatory impacts on affected entities.

Some participants expressed concern that continual changes in governing rules and relations will result in a constant state of regulatory flux for businesses and consumers. There is clearly the need for predictability in the regulatory schemes governing businesses and the marketplace for purposes of compliance as well as for planning and investment. Predictability should not, however, be adversely affected by periodic rule review if agencies provide early notice and information that the review and potential changes are coming. As importantly, it will provide the opportunity for earlier consultation and input in the review and evaluation process by those stakeholder interests most directly affected by the regulations.

Pits & Peeves Follow Up

Nearly all of the Roundtable participants acknowledged the reality that effective regulatory reform takes time. Given that the red tape and regulatory impediments have developed and evolved over many years, it cannot realistically be expected that these issues will be resolved or "fixed" overnight. It will require a continuing commitment to a streamlined and effective government, and a vigilant and ever watchful eye on "creeping" and recurring red tape.

To provide an opportunity for Roundtable participants to assess and provide feedback with respect to the progress and success of the various agency initiatives, a commitment was made in these Roundtable sessions to reconvene the original participants and others in six to nine months to review and evaluate the effectiveness of the Administration's efforts to cut red tape and to continue the dialogue on longer-term efforts to streamline State government in Colorado.

Summary of Conclusions and Recommendations

The Pits and Peeves Roundtables Initiative has provided an excellent opportunity for both the citizens of Colorado and the Hickenlooper Administration to explore together the problems and opportunities of governing a growing state in a complex business and economic environment.   The Red Tape Reports and the Roundtable sessions have identified many important old and new challenges to achieving the Governor's goal of providing "efficient, effective and elegant" governance for the State.

The Administration's work toward achieving the three E's has already begun. The observations and recommendations contained in this Report from the Roundtable participants set the stage for further progress in finding and implementing the governmental measures which will encourage new and existing businesses to prosper and expand.   The suggestions for improvement-- whether they be cultural changes, better use of technology, or just more effective communication and coordination-- demand a renewed effort by every State agency to re-energize and reshape its efforts to serve the citizens of Colorado.

The Governor's cabinet has also been engaged in this Initiative. More than half of the cabinet members or their representatives attended the Roundtable discussions, and heard first-hand the participant concerns and recommendations for change. Many of their agencies have already taken steps to review, eliminate, streamline or further evaluate their regulatory regime.

The areas of greatest concern to the participants for which they have supplied many alternative ideas for improvement have been grouped into the following themes:

1. Culture of government needs to change to focus on customer service
2. Regulatory inefficiencies and delays
3. Greater coordination among state agencies
4. Better coordination with Federal and local agencies
5. Periodic review of rules and regulations
6. Better use of new technology for communication and customer service
7. Need for a "go-to" person for each agency
8. More attention to economic/unintended adverse impacts of proposed regulations, requirements and procedures
9. More attention to ensuring that regulations reflect legislative intent

The participants proposed a broad and varied range of solutions to these issues, from simple, common sense ideas for improving communication with the citizens to more sophisticated suggestions for reforming the way agencies make decisions. However, there are four proposals for immediate action that deserve thoughtful and effective implementation to address the some of the systemic issues giving rise to

red tape. Those proposals are:

- To designate an "agency concierge" or "go-to person" in each department who acts as a clearinghouse, and source of information and direction to help guide individuals to the appropriate contact in the department.
- To establish "Regulatory Facilitation Teams," aligned around the industry clusters identified pursuant to Blueprint Colorado, to provide support and guidance to businesses in each respective cluster.
- To issue an Executive Order that requires each principal department and state agency to conduct a review of its rules and regulations at periodic intervals to assess the continuing need for, appropriateness and effectiveness of their rules.
- To reconvene the original Roundtable participants and others in six to nine months to review and evaluate the effectiveness of the Administration's efforts to cut red tape, and to continue the dialogue on longer-term efforts to streamline State government in Colorado.

This effort does not end here. The Next Steps described above commence a course of action for the continuous improvement of the State's governance activities. Members of the Administration are mindful that the participants and many others will be following their progress in terms of the recommendations and ideas set forth. It will be their responsibility to evaluate the recommendations and tailor their implementation to achieve the optimal results. Over the coming months, many of these new approaches will be tried and tested. Although some of them may not ultimately prove successful, the results will nevertheless give the Administration important feedback and direction that can be shared with participants and other interested parties.

The dialogue with the Pits and Peeves Roundtable participants has proven to be an effective way for State agencies to learn about and understand the impact of regulatory red tape in Colorado on businesses and the community at large. The process has been insightful and instructive in providing direction and guidance to State agencies in identifying ways to alleviate the burdens of that impact.

The Initiative has also been invaluable in helping the participant groups better understand and appreciate the constraints and implications of the requirements under which State government must operate. It is important that businesses and citizens understand that they each must be prepared to participate and engage in efforts to help accomplish the mutual goals of effective, efficient and elegant government.

While we believe the Pits and Peeves Roundtables Initiative has been successful in its mission, it is only a part of a larger process which must be continued, with the resolute commitment on all sides that we can achieve the good government which the citizens of Colorado so richly deserve. We hope this report makes a meaningful

contribution towards accomplishing the changes required in our State's regulatory systems.

Acknowledgements

The success of the Pits and Peeves Roundtables Initiative reflects the willingness of the individuals and organizations who participated to take the time to fully commit to and engage in the process. As a result, the discussion and dialogue at each of the sessions was spirited, energetic, insightful, and always respectful. Most importantly, the participants were ultimately hopeful that the Roundtables Initiative would result in some tangible, discernible progress toward eliminating red tape. For your invaluable contribution, our sincere thanks to each of you.

A very special thank you to Governor Hickenlooper, Lt. Governor Garcia, cabinet members and senior staff who joined in and supported this Initiative.

We also wish to acknowledge the gracious hospitality extended to us by our facility hosts. Thanks to each of you for your support and assistance:

> Metro Denver Chamber of Commerce;
> Longmont Public Library;
> City of Grand Junction (City Auditorium); and
> Colorado State University--Pueblo

Thanks also to James "Skip" Spensley and Margie Mauldin, Executive Forum, who facilitated the Roundtable sessions, and to the DORA, Executive Director Office staff for their superb and enthusiastic support and assistance at each session, particularly Cheri Callaghan and Laura Howsden.

Appendix A
Red Tape Form

Regulatory Roundtable
Red Tape Report

Submission Date:

Red Tape issue, procedure or process of concern:

This issue involved:
⬜ State Issue -
⬜ Federal Issue -

This issue has to do with:
⬜ Regulation
⬜ Statute

Specific details and Clarification:

Suggestions:

Name:
Organization:
City/Town:
ZipCode:
Phone Number:
Email Address:

Submission ID:

Appendix B

Summary of Red Tape Issues

ID	Submitted	State	Federal	Local	Details
1	05/17/2011	x Revenue			Department of Revenue garnishments & levies
2	05/17/2011	x Treasury			Unclaimed property exams
3	05/19/2011	x Child Care Centers			Department of Health and Human Services - Child Care Division
4	05/19/2011	x			State Contracting
5	05/19/2011	x			Colorado Regulatory Climate
6	05/19/2011	x		x	State regulations vs. local regulations
7	05/19/2011	x		x	The expectation that things (e.g. application review, permit granting) just take a long time and there is nothing anyone can do about it.
8	05/19/2011	x		x	Health care requires a dynamic regulatory capability so that flexible business models enable us to bring accessible, affordable and quality care across the full continuum of need and to hard-to-reach places.
9	05/19/2011	x	x		The separate layers of state and federal regulations can be duplicative and lack alignment. Some aspects of state regulation are more stringent than federal CMS, HIPPA and EPA regulation.
10	05/19/2011	x			State regulation is written in such a way that it is susceptible to a myriad of interpretations by both state surveyors and licensed healthcare entities. Due to lack of elucidation and interpretive guidance, health care entities are found noncompliant. Significant time, effort and administrative costs are required to correct and/or dispute those findings, which could have been avoided if clear guidelines were available to begin with.
11	05/19/2011	x Division of Insurance			1. Eliminate review of large-group rate 2. Disclose how it determines whether or not to approve rate filings 3. Re-write the language about revisiting past work to allow for timely review 4. Stop asking for proprietary information such as underwriting guidelines 5. Revisit its interpretation of PPACA which has caused companies to pull products out of the market 6. Review its form requirements which are redundant with PPACA and either create a certification or other process
12	05/19/2011	x State Controller			There is a problem with the process of how businesses contract with the state. The state contracting process takes an excessively long period of time and is extremely cumbersome.
13	05/19/2011	x	x		The health care industry faces problems

		HCPF	HIPPA		driven by federal laws and regulations related to HIPPA, along with other federal regulations. With regards to the state, the challenges are more around the culture of state government, mostly related to how long it takes to work within existing processes and the bureaucratic nature of government
14	05/19/2011	x	x		One significant future issue for the development community relates to proposed nutrient standards for storm water that will impact developers from the EPA by way of the state.
15	05/20/2011		x Various		Federal Regulations do harm to Colorado small businesses
16	05/20/2011	x 1) SEO (State Engineers Office); 2) Oil and Gas Division within Department of Labor			Lack of correct rule-making process by state agencies: 1) SEO (State Engineers Office); September 30, 2009 release of new Substitute Water Supply Plan (SWSP) guidelines without any hearings, public meetings, public input, etc. 2) Oil and Gas Division within Department of Labor: Release of new fuel storage tank rules (January of 2011) without rule-making, public notice, comment-period, etc
17	05/20/2011	x DRMS (Division of Reclamation, Mining, and Safety)		x Most counties have a weed manager/staffer who is charged with noxious weed management within a county	Weed free gravel (gravel without noxious weed seeds). This is currently a proposal being promoted by the Colorado Weed Management Association (CWMA) with possible legislation in 2012. Division of Reclamation, Mining and Safety (DRMS) already regulates noxious weeds at gravel mining facilities. CWMA wants DRMS to regulate delivery of weed free gravel; however, once the wind blows after a gravel delivery, how can a gravel operator guarantee "weed free gravel?" Virtually impossible
18	05/20/2011	x Water Quality Control Division (WQCD) which is a division within Colorado Department of Public Health	x WQCD works with EPA on this issue		Selenium: Beginning in 2013, Gravel producers, in western Colorado, will be required to discharge water with a maximum selenium level of 4.6 parts per billion. However, selenium naturally occurs at levels between two and five times the 4.6 parts per billion standard. The gravel industry is not adding selenium to water, we receive water that is laden with selenium yet we are expected to adhere to the 4.6 standard, which cannot be achieved.
19	05/20/2011	x WQCD (Water Quality Control Division)			Gravel industry should have an exemption from this standard similar to the agriculture industry. Selenium is mobilized by agricultural irrigation. If an exemption is not possible, gravel industry should be granted an 'in-take' credit approach meaning if an operator receives water at 15 parts per billion, they should be allowed to discharge at a similar level.
20	05/20/2011	x CWCB (Colorado Water Conservation Board)	x FEMA oversees CWCB on floodplain	x Counties are involved with FEMA and	Gravel industry should have an exemption from this standard similar to the agriculture industry. Selenium is mobilized by agricultural irrigation. If an

			rules	CWCB as well	exemption is not possible, gravel industry should be granted an 'in-take' credit approach meaning if an operator receives water at 15 parts per billion, they should be allowed to discharge at a similar level.
21	05/20/2011	x			24-32-3323 Sellers of Manufactured Homes - registration. The industry helped to draft this law and is in support of this law. However, the concern is enforcement. They are good at enforcing new home sales but we have no enforcement of used dealers. For those few used dealers that are registered, they have a hard time seeing why they continue. This is coupled with the fact that when people do renew, the customer service is lacking.
22	05/20/2011	x Division of Housing/Manufactured Housing Section			Several years ago we worked with the division of housing to better clarify what their jurisdiction was verses local when it comes to more complicated factory built homes and even passed legislation. We feel despite this they are having trouble letting go.
23	05/20/2011	x Division of Housing/Manufactured Housing Section			24 -32-3315 Installation Program - With budgets down, there are a lot less inspectors at the State. This means long wait times for inspections. In addition, inspection write up can be inconsistent with multiple call backs. That further tax the personnel time at the state, and slow down the process for the consumer.
24	05/20/2011	x Division of Real Estate			The requirement that a licensed mortgage loan originator undergo two background checks, one by the FBI and another by the CBI. This adds expense and time to the process when nationally only the FBI background check is required by the NMLS&R and the SAFE Act.
25	05/20/2011	x Division of Real Estate			The current requirement that managers of licensed mortgage loan originators be licensed themselves as mortgage loan originators even if they do not originate loans personally.
26	05/23/2011	x Division of Real Estate			Since the Division of Real Estate and the Commission are funded through license fees paid by real estate brokers, it is unnecessary to have the Real Estate Commission operate on an every other month calendar. In doing so, this has forced an increase in the backlog of complaints and investigations from being handle in the most timely manner. This may cause extended harm to consumers if broker are not reprimanded as soon s possible.
27	05/23/2011	x Division of Real Estate			Ensure that DRE staff answering calls are fully aware and able to answer licensing requirement questions. There has been an uptick in license renewal questions not being answered. It is important for the Division staff to know how to counsel brokers on education requirements

					needed, other record management matters and fees. It is not helpful to simply have DRE staff refer questions to the Colorado Association of Realtors to be answered.
28	05/23/2011	x Division of Real Estate			Increase the effectiveness of the search capabilities of the website. Since the printed DRE Manual may not be current due to continuous changes made by Commission and the Legislature, it is imperative that the website be extremely user friendly.
29	05/23/2011	x	x	x	1. Interpretation of what is defined as taxable in the City/County of Denver as compared to other cities and the state. Specifically, how the City/County of Denver interprets taxation on software use. 2. Health insurance for employees of small business owners. In Colorado, we have been unable to create a plan that works efficiently and at a reasonable cost for small businesses, though we know that in this legislative session, progress was made. Increasing rates, fewer alternatives and a federal tax policy that penalizes business owners from participating in health saving accounts are also adding to the frustration from small business owners. Not certain if this can be dealt with on a state basis, but heard it from several members, so have added it to the list. 3. Public sector procurement. In Colorado, we should strive to think first about Colorado companies whenever the state or cities/counties have technology business. Instead, the procurement requirements are laden with processes and confusing language that largely suggests that public sector entities in Colorado don't want to do business with businesses in the same state. There seems to be an opportunity for public sector employees to "want" to do more business with Colorado. 4. Overall taxation for small businesses. In an effort to generate more income, our understanding from multiple members is the City/County of Denver reinterpreted existing tax law in different ways to allow them to collect more from Denver businesses. 5. Unemployment taxes. When the state raised unemployment taxes to replenish the SUTA coffers, the state may be eliminating the operating cash that businesses would normally have used to hire a new employee. 6. Unemployment documentation. We have heard from a few IT staffing companies that unemployment documents are generated from two different departments within the unemployment office, so individuals have to independently fill out duplicate forms (some look differently). In addition to the cost of time from individuals, the unemployment office now receives two separate documents per person. 7.

					Training for unemployed individuals. The workforce centers appear to have gaps in the training they offer and what employers need or individuals want. For example, offering limited social media classes, and the classes themselves are extraordinarily basic, so not providing relevant information or training. In addition, the workforce centers have suggested they don't want input from employers on the skills or training desired, so the gap becomes larger. 8. Unemployment tracking. There are countless examples of companies who suggest that they have employees who resigned voluntarily and receive unemployment benefits for longer than they should - or even if they should not. The wait line for calls by employers most often are barriers for any level of conversation.
30	06/22/2011	x			Health care requires a dynamic regulatory capability so that flexible business models enable us to bring accessible, affordable and quality care across the full continuum of need and to hard-to-reach places. Chapter II and other state health facility regulations related to Life Safety result in needlessly expensive requirements that increase the overall costs of care. State health facilities and Mental Health regulation place requirements for board eligible/certified physician specialists and other qualified medical staff when non-physician licensed independent practitioners could easily fulfill the needs of communities, particularly for those communities with provider access issues.
31	06/22/2011	x	x		The separate layers of state and federal regulations can be duplicative and lack alignment. Some aspects of state regulation are more stringent than federal CMS, HIPPA and EPA regulation. Chapter II requirements related to Grievances, Access to Medical Records, Patient Rights and Restraint and Seclusion. Hazardous Waste Regulation Mental Health Regulation
32	06/22/2011	x			State regulation is written in such a way that it is susceptible to a myriad of interpretations by both state surveyors and licensed healthcare entities. Due to lack of elucidation and interpretive guidance, health care entities are found noncompliant. Significant time, effort and administrative costs are required to correct and/or dispute those findings, which could have been avoided if clear guidelines were available to begin with. The Health Facilities and Emergency Medical Services Division Occurrence Reporting Manual's categories of occurrence types are very obscure, particularly in regard to the category of neglect. Health care entities have been cited for failure to report issues which are

					largely a result of poorly written regulation. State staffs' lack of knowledge regarding operational impacts of regulation create barriers to writing effective regulation. A more collaborative process is advisable so that intent and language are clear.
33	06/22/2011	x	x	x	The expectation that things (e.g. application review, permit granting) just take a long time and there is nothing anyone can do about it.
34	06/22/2011	x			Inconsistencies in the rule making/hearing process. The process is not only different between rule making agencies, but even within the same agency. Some divisions engage in a lengthy and thoughtful drafting process taking ten months to one year while other divisions release rules with three weeks to review and comment.
35	06/22/2011	x			Inconsistencies in the rule making/hearing process. The process is not only different between rule making agencies, but even within the same agency. Some divisions engage in a lengthy and thoughtful drafting process taking ten months to one year while other divisions release rules with three weeks to review and comment.
36	06/22/2011	x			Different delivery and notification systems. This makes it extremely difficult to follow the regulatory changes and even more of a challenge to engage in the process. Again notification is sent through different systems or not distributed at all leaving the burden on the health care facilities to find and adhere to changes.
37	06/22/2011	x			Limited or no stakeholder outreach. A legitimate stakeholder outreach process needs to be mandated for government. Currently, rules and regulations can be made entirely in a vacuum of the agency with complete disregard to the industry being impacted. Legitimate stakeholder outreach provides industry and State government the opportunity for dialog. The dialog needs to include identification of the problem needing to be solved and transparency about the decision-making process used to formulate a solution. Without these clarifications, industry is left with not understanding why the government chose one solution over another.
38	07/05/2011	x Colorado Division of Registration/Office of Licensure: Chiropractic			The process of concern that we have is in regard to the licensee application process. To our knowledge, we believe that Colorado is the only state that allows Doctors of Chiropractic to submit: 1) official transcripts from a chiropractic college; 2) license verifications history; and 3) verifications of electrotherapy/physiotherapy hours (all in their original sealed envelopes), along

					with NBCE test scores, directly from the individual doctor, to be included in their application packet. This, to us, represents a potential for fraud, compromising the primary source data if that applicant should "tamper" with any of that information that they have in hand. Comparisons to the Physicians license application checklist show that these same requests for information are very specific: that the data/scores are sent "directly to this office" from the various agencies.
39	07/07/2011	x DORA/State Board of Nursing			It has taken us nearly 6 years to create a LPN program on our campus. It is still not done. We have been patient to work through the Community College System to obtain their understanding for the need and our sincerity to have such a program. At this time, all nursing education programs are governed by the State Board of Nursing under DORA. There are now requirements that must be met in order for the Boulder Campus of FRCC to have a satellite LPN program on our campus. We are donating space, supplies, our education lab and a Master's prepared nursing educator for the program. We feel that nursing education would be better served under the auspices on an educational system (CCHE, etc.) The State Board of Nursing should regulate the licenses of nurses, certified nursing assistants, and the like.
40	07/07/2011	x Health Facilities Division	x CMS		PASRR - Pre-Admissions Screening and Resident Review. This is a federal mandate from CMS requiring new admissions to nursing homes be pre-screened for possible mental illness. The intent of this mandate is to ensure that psychiatric services are provided to that need them and that mentally ill individuals are not "warehoused" in nursing homes. The screening must be done prior to admission to the nursing home. On many occasions, patients spend extra days in the hospital waiting for the screening process to occur.
41	07/07/2011	x Health Facilities Division			Life Safety Code for licensure of skilled nursing facilities. When new buildings are planned, detailed architectural plans are submitted to the State for approval. We have been told that the plans are not reviewed prior to construction. After construction, and sometimes 10 years after construction, Life Safety Code surveyors will site issues with construction/plans for buildings and will require extensive retro-fitting of facilities.
42	07/07/2011	x CDPHE/Health Facilities Division			QIS - Quality Improvement Survey. This new licensure inspection surveys for nursing homes has been a big strain on the survey system. Our facility licenses are only good for 12 months. Surveys can occur in a 9 month -15 month window.

					Currently, two of our facilities are "out of compliance" with their license because the surveys have not occurred and we technically do not have a current license. Other payors, Long Term Care Insurance policies require us to provide a current license in order for them to pay the claim. We cannot produce a current license.
43	07/07/2011	x CDPHE			Pay4performance - This was a mechanism to leverage more federal dollars to increase daily pay rates to facilities meeting performance standards. There is a very big application process and many requirements to earn $1/day to $4/day. Applications are due each year. Each year fewer and fewer facilities are participating because we have not been paid the extra dollars because of budget cuts or shortfalls. We are told each year that we should apply and then told at the end of the year that we will not be paid
44	07/07/2011	x CDPHE		x Larimer County Department of Human Services	Status of Nursing Facility Care form - AP 5615. This form is completed by our staff in the nursing home and then forwarded on to the eligibility division at the County. This form is verified, signed by the eligibility technician, and then sent back to us. We are unable to bill for Medicaid until we receive the signed form back. On some occasions this form takes 6 months to return back to us. Taking from 2 to 4 months to return the form, is not unusual. We have carried upwards of $30,000 to $40,000 of accounts receivable due per each case while we wait for the form to start billing.
45	07/07/2011	x Department of Labor and Employment			Unemployment Insurance - two years ago, we couldn't win a claim. Even when we had very good documentation of the need for termination of the employee. In the past 6 months, are winning many of our claims while following our same documentation process. We feel that two years ago, the sentiment was to say "yes" so that claimants would have monies to make it in a down turn. Now we are being asked to pay a Trust Fund Assessment because Colorado borrowed money and now the interest is due.
46	07/07/2011	x Health Facilities Division	x CMS		We tried to move toward a new method of laundry and disinfecting the volumes of laundry we produce on a daily basis. In February 2010, we began investigating the viability of an ozone laundry system as it would reduce the use of energy, water, and caustic chemicals. The two independent lab's clinical test showed wonderful disinfections results (great pathogenic kill rates of +99.999%), financial savings through reduced energy, water, and chemicals totaling for all 6 of our snfs/alfs at +$17K/year. We expected to reduce our heat energy +2.4 million BTUs at just one facility. In April 2010, we submitted a waiver request as a state law

					intending to ensure adequate disinfection required a specific water temperature for washing laundry. In July 2010, while processing the CDPHE discovers new interpretive guidelines were published by CMS that indicate high water temps or chlorine can kill germs in laundry. The waiver is granted for the state regulation but with the stipulation that we'll use lots of bleach or have high temperatures, defeating the efficacy and purpose of ozone as it needs cold water. We requested the waiver be forwarded to CMS. Sometime later we get the following - "Regarding your waiver question from CMS: There is not a waiver process. Linens must be processed to prevent the spread of infection".
47	07/07/2011	x		x	The need for more and better geriatric psychiatric services
48	07/07/2011	x Colorado Dept. of Public Health and Environment			Ambulatory center that does not perform open surgery, only diagnostic procedures, is required to keep an infection log even though "post-procedure infections" are a moot point for them - they don't perform invasive procedures and so there is no opportunity for infections to occur. Previously, they kept such a log for two years but because they had no infections to report - and again, because of the nature of their work never would - they discontinued the log. CDPHE marked them down on their facility survey because of the lack of a log. There is no room for judgment, facility experience, or good practice that leads to confirmation of no problems.
49	07/07/2011	x Dept. of Health Care Policy and Financing			Information systems for Medicaid and CHP+ - the Medicaid Management Information System (MMIS), the portal where all Medicaid providers check eligibility and submit bills; Colorado Benefit Management System (CBMS), which determines eligibility and enrollment - do not interface smoothly and are antiquated, cumbersome and inefficient for providers, Medicaid HMOs and other state Medicaid and CHP+ contractors. For example: * CHP+-eligible children (as classified within CBMS) do not show up in MMS as eligible, necessitating manual workarounds. * Some providers, including Federally Qualified Health Centers (FQHCs) cannot submit multiple treatment codes on bills without risking subsequent denials for care that is, in fact, covered by Medicaid.* CBMS does not interface with the Social Security Administration and other income verification systems, creating eligibility questions and enrollment delays. These delays put a burden on providers who often will still see patients even though their Medicaid eligibility has not yet been clarified.* Application and re-application processing is time-consuming and costly

					to the state, leading to lapses in reimbursement for providers.
50	07/07/2011	x Colorado Dept. of Public Health and Environment			Ambulatory center that does not perform open surgery, only diagnostic procedures, is required to keep an infection log even though "post-procedure infections" are a moot point for them - they don't perform invasive procedures and so there is no opportunity for infections to occur. Previously, they kept such a log for two years but because they had no infections to report - and again, because of the nature of their work never would - they discontinued the log. CDPHE marked them down on their facility survey because of the lack of a log. There is no room for judgment, facility experience, or good practice that leads to confirmation of no problems.
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52	07/07/2011	x Colorado Dept. of Public Health and Environment			Ambulatory center that does not perform open surgery, only diagnostic procedures, is required to keep an infection log even though "post-procedure infections" are a moot point for them - they don't perform invasive procedures and so there is no opportunity for infections to occur. Previously, they kept such a log for two years but because they had no infections to report - and again, because of the nature of their work never would - they discontinued the log. CDPHE marked them down on their facility survey because of the lack of a log. There is no room for judgment, facility experience, or good practice that leads to confirmation of no problems.
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54	07/07/2011	x Dept. of Health Care Policy and Financing			Medicaid requires physicians to use a unique credentialing application if they wish to participate in the program. Medicaid will not accept the state's statutorily-developed Uniform Credentialing Application (see 25-1-108.7 CRS), nor the Medicare credentialing application, nor a privately developed standard credentialing form used by most private carriers.
55	07/07/2011	x Dept. of Health Care Policy and Financing			Medicaid is the only payer of health care benefits that requires providers to submit claims on its own claim form. All private carriers use the standard Medicare claim form. As a result, physicians and other providers must put additional time into billing the payer that pays them the least.
56	07/07/2011	x Dept. of Health Care Policy and Financing			Medicaid eligibility verification. When seeing Medicaid patients, physicians and other providers check with Medicaid to ensure that patient is still enrolled in the program. However, Medicaid will only confirm eligibility for that day. Thus, when a Medicaid patient calls to make an appointment, the physician's office cannot confirm that they are still enrolled in the program until the day of the appointment. If it turns out that the patient is no longer covered by Medicaid, the office then needs to try to recover payment from the patient (who may not even know that they have been dis-enrolled), which is very challenging for this low-income population and often results in the physician simply writing off the amount owed. In addition, even after eligibility has been verified, there is no guarantee that Medicaid will pay for the services provided, even if they are covered benefits. Private carriers, however, cannot retroactively deny payment if verification of the patient's enrollment is made within 72 hours of the patient's appointment.
57	07/07/2011	x Dept. of Health Care			Medicaid Prior Authorization Review (PAR) process for pediatric hearing aids.

		Policy and Financing			There is one standard PAR form for Medicaid, that requires a signature from the requesting physician. However, Medicaid rules stipulate that only audiologists may be paid for hearing aid services. A PAR form for pediatric hearing aids that is signed by a physician will be denied, but there is no flexibility for a signature other than that of a physician. Requiring a PAR for pediatric hearing aids in the first place seems unnecessary, because this is a covered benefit. As long as the provider documents a child's need for the hearing aids, there should be no need to get additional approvals.
58	07/07/2011	x Dept. of Labor and Employment			In 2008, a law was enacted requiring that independent medical examinations (IMEs) for workers comp claims be tape-recorded. The law is written to apply to all components of the exams, including neuropsychological examinations administered by psychologists. However, all such examinations are copyright protected, so cannot legally be recorded. As a result, neuropsych exams can no longer be part of the IME, taking away an important tool for both providers and employers.
59	07/08/2011	x DOR			The Department of Revenue - Colorado withholding and sales taxes are due on the 20th of every month. Up until recently, remittance that was postmarked on the 20th was accepted. Recently, even if it is postmarked and even certified on the 20th, now ends up triggering a late notice with penalties and interest - not good for business. Also, no one will answer the phone due to furloughs, according to the automated message.
60	07/08/2011	x DORA			Professional licensing renewal is uncoordinated, confusing and frustrating. The state took over massage therapist licensing a few years ago, requires continuing education credits (unsure as to why, if a practicing therapist logs hours of work), but doesn't state what counts towards those as well as it is unclear how to get everything needed and submit appropriately. When called, no one answers the phone.
61	07/08/2011	x DORA			Electrician licensing - the continuing competency program is onerous, with no additional benefit over the old electronic testing system. August 15 is when the new regulations take affect or there are significant additions in cost for renewal of licensing. The State is contracting with private testing sites, but there are no local sites, no openings for testing, and no one who seems to be able to answer a question about the new rules or new testing. The State is requiring classes if testing is not passed, but not approving or recommending the classes needed. You have to pay for it first ($400-$800 per

					class, up to four classes) and then hope it works for the State. It is important for electricians to be able to follow the code, but this additional bureaucracy is ridiculous, costing time and money for small business owners.
62	07/08/2011	x Legislative?			Article 27, or what was Senate Bill 05-152, prohibits municipalities from providing directly or indirectly any type of telecommunication services. This ties the hands of municipalities such as Longmont to use the infrastructure already paid for by the community, such as Longmont's fiber backbone.
63	07/08/2011	x Colorado Department of Revenue			As a partner in a CPA firm, we have noticed a high level of frustration on the part of our clients in dealing with the Colorado Dept of Revenue.
64	07/08/2011	x Colorado Dept of Revenue			Many of my fellow partners and numerous clients have had difficulty with the revised on-line Enterprise Zone credit approval process.
65	07/12/2011	x All State Departments			Currently nearly all state departments must submit contracts to the state Attorney General's Office in Denver for review, comment, approval. This adds not just weeks but often months into the process of contracting with the state, for everything from grants to right of work actions.
66	07/12/2011	x			Environmental Review Process via the EIA - NEPA Process
67	07/12/2011	x			CDPHE (Colorado Department of Public Health & Education) submittal and review processes are currently cumbersome and add to project costs. For wastewater treatment systems the site application reviews, design review processes, and air quality permitting are experiencing delays. Response times from CDPHE for performing reviews and processing permits are slow, often adding three to six months to projects.
68	07/12/2011	x			Erosion Control--Of course erosion around ongoing projects must be controlled. However, the process as currently administered is creating a need to hire subconsultants, and adding $4,000 or $5,000 dollars to projects.
69	07/12/2011	x			Time is lost in resubmitting information lost by the state, such as lab results and reports. The state and regulated community would likely benefit from an improved database and filing system.
70	07/12/2011	x			Operator training regulations.
71	07/12/2011	x			Stream Standards
72	07/12/2011	x			Temperature--The City faces millions of dollars in construction costs to lower effluent temperature to meet a river temperature standard that is less than three degrees lower than the temperature

#	Date				Description
					is without temperature treatment. Yet during these months, wildlife and in particular fowl congregate at the effluent outfall to eat fish. This issue is a concern throughout the state of Colorado and is being by pushed by the EPA.
73	07/12/2011	x			Nutrients--The entire state is looking at huge costs to meet nutrient treatment criteria that the EPA is pushing Colorado to adopt. Colorado is trying to find a method to meet EPA's direction, yet have a system that is effective yet affordable, and we support that effort. Sewer bills could double or triple in the next 10 years if the EPA's treatment standards as currently proposed are enacted within Colorado.
74	07/12/2011	x			Mercury--More stringent limits are expected in 2015. The limits are being pushed so low that treatment costs are expected to cost Loveland several million dollars in capital and operation.
75	07/12/2011	x			Raw Water Accounting--This work has increased dramatically for our City, and undoubtedly relates in part to increasing demand on a finite resource, and to more intricate decrees requiring daily instead of monthly replacements. There may be a more reasonable level of accounting effort required which would still provide assurances that the system is being administered fairly.
76	07/12/2011		x		Testing/training on cranes with capacity over 2,000
77	07/22/2011	x House Bill 09-1057			The Colorado state law "Parental Involvement in K-12 Education Act" allows up to 18 hours per year for your children's academic activities (to include parent-teacher conferences and meetings related to special education services, dropout prevention, attendance, truancy, and discipline). The burden to employers: learning about the new law; creating a new policy in a way employees will understand; educating employees on the policy; educating employees on how it coordinates with other existing policies; requesting documentation from employees when they ask for time off; clarifying to employees when they've misunderstood the policy (it's not for football games, concerts, etc.); qualifying the school's documentation regarding the activity (the school must also comprehend the law); tracking time off (up to 6 hours in a month yet may be restricted to 3 hours or less per session and no more than 18 hours in an academic year); verifying employee's time off through documentation; and then the cycle begins again in re-educating employees. I've found that people don't really pay attention to these policies until they have an issue. It's at that time they come forward asking about the policy.

					Ultimately, we spend time reeducating employees on policies one employee at a time.
78	07/25/2011	x Department of Revenue			If you owe less than $5.00 in Unemployment insurance, then you don't have to pay it. However, since my payroll system is set up to cut the check anyway, and I have to send in the quarterly report, I sent in a $3.00 check (what I owed). The check was returned with a letter stating that since it was less than $5.00, I didn't have to pay the insurance. I returned the check along with a letter saying I wanted to pay the $3.00, the check was already cut, Unemployment Insurance Fund in overdrawn, please accept my check. The system cashed my check and gave my account a $3.00 credit instead of applying it.
79	07/25/2011	x Department of Revenue			If you owe less than $5.00 in Unemployment insurance, then you don't have to pay it. However, since my payroll system is set up to cut the check anyway, and I have to send in the quarterly report, I sent in a $3.00 check (what I owed). The check was returned with a letter stating that since it was less than $5.00, I didn't have to pay the insurance. I returned the check along with a letter saying I wanted to pay the $3.00, the check was already cut, Unemployment Insurance Fund in overdrawn, please accept my check. The system cashed my check and gave my account a $3.00 credit instead of applying it.
80	07/25/2011		x		The requirement to follow Davis Bacon guidelines for projects paid with federal funding adds a minimum of 30% to the cost of every project. The threshold of $2,000 was set in 1934 when the Act was passed. This needs to change.
81	07/25/2011	x Dept of Revenue			I accidentally entered an incorrect Filing Period End date into the Colorado Dept of Revenue WEB EFT when making a withholding payment. It has taken me 7 months to get this straightened out. Upon receipt of the first letter, I replied with COMPLETE history, copies of all receipts, highlighted to show the error. If the department had taken a look at my payment history, they would have been easily able to see that I have never missed a payment. It felt like they were not even reviewing what I sent in.
82	07/25/2011	x			The State of Colorado and its agencies must continually review regulations and permitting processes to ensure that there is MEASURABLE and quantifiable environmental and or social benefits that justify the regulation's cost.
83	07/25/2011		x		The State of Colorado must publically and proactively urge the Federal Agencies including the Department of Interior (BLM) the Forest Service and the EPA to

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					expedite project approvals and reduce the delays and expenses associated with permitting oil and natural gas projects on Western Colorado's public lands. Projects like the Roan Plateau could create significant jobs and economic development through revenues if the state would provide leadership in moving these projects to fruition and providing pressure on the federal agencies as a cooperating agent in the NEPA process. The State of Colorado is in a position to provide Western Colorado's natural gas operators a great deal more advocacy as federal agencies seek to reduce the development of Rockies Natural gas production.
84	07/25/2011		x		The current Washington D.C. administration has greatly slowed and complicated the federal mineral leasing program. The State of Colorado should act in concert with other energy states to demand that leasing of valuable minerals be increased.
85	07/25/2011	x CDHPE	x	x Stormwater Engineering	CDPHE Regulations Regarding MS4 Permits and Stormwater Management
86	07/25/2011		x		There are often great discrepancies between the Department of Interior's findings related to BLM Resource Management Plans and what energy projects actually get approved.
87	07/25/2011		x		The Grand Junction Area Regional Chamber of Commerce, The Associated Governments of Northwest Colorado, Rio Blanco County, Mesa County, Club 20 and other civic agencies of Northwest Colorado provided letters of support for Colorado Oil & Gas Conservation Commission candidates who represent balanced, technical approach to commission decisions instead of the partisan, ideological approach of the last 4 years.
88	07/25/2011	x	x		Local governments throughout Colorado seek to establish their own frameworks for the regulation of a very complex and technical business.
89	07/25/2011	x			General Coordination of State Permitting
90	07/25/2011	x		x City Clerk	Liquor License Approval Timetable
91	07/25/2011	x	x NFPA	x Colorado Springs Fire Department	Life Safety Plan Review and Inspections
92	07/25/2011	x CDOT	x	x	CDOT procedures regarding payment processing, grant reimbursements and funding deadlines.
93	07/25/2011	x CDPHE, CMLRB, and CDRMS			State agencies often propose complex rules with extremely short time frames and no prior consultation with industry.

					In other cases, the agencies create a constantly moving target by modifying the proposals after comments have been submitted without opportunity for adequate opportunity for additional comment. This raises costs unnecessarily and precludes the development of more sound proposals based on adequate consideration of the facts. Agencies need to provide sufficient time for public comment and engage (as they have done in many cases in the past) in informal outreach prior to initiating complex rulemaking proposals.
94	07/25/2011	x Colorado PUC, AQCC, MLRB			Failure of regulatory bodies to adequately consider cost of compliance when adopting rules and regulations.
95	07/25/2011	x Water Quality Control Division			Inconsistent interpretation of regulation. Policies and interpretations of regulations are changed or inconsistent from one situation to another. When regulatory requirements change with new interpretation, the result can be costly and litigious.
96	07/25/2011	x CDPHE			Frequent delay in issuance or renewal of environmental permits.
97	07/25/2011	x DRMS, Mined Land Reclamation Board			Some regulations will result in permit delays because they allow for interim appeals of preliminary decisions well in advance of permit issuance. This encourages frivolous litigation by parties intent on impeding required administrative actions on mining permits. Opponents of mining projects can now appeal decisions of agency staff within the Division of Reclamation Mining and Safety (DRMS) regarding manner and collection of mineral samples, water quality baseline data and potentially other individual decisions made prior to application for a mine reclamation permit.
98	07/25/2011	x Colorado Public Utilities Commission			If a party to a proceeding before the Public Utilities Commission seeks to disqualify a commissioner from ruling on a matter based on bias or other misconduct, Commissioners are allowed to rule on their own fitness to sit in judgment on the case. The party's only recourse is to appeal the matter to district court, thereby occasioning a lengthy delay that impairs public confidence in the integrity of the Commission process.
99	07/25/2011	x All State Agencies Involved			Governor's administration to continue supporting/creating business impact statements on proposed legislation along with fiscal note. This will help ensure the business community in Colorado that proposed statewide legislation affecting them will be discussed and included in the legislative process. All state agencies would be included in this process.
100	07/25/2011	x CDPHE, DORA, HCPF,			More Public/Private partnerships at the State level. Currently, there is a backlog of

		and DHS			issues needing to be addressed in many state agencies which in turn stalls business and some permitting processes. Much like the Third Party Air Quality Modelers legislation of this past year, private companies can assist the state when needed to reduce this backlog along with helping in the creation of a better streamlined process for business.
101	07/25/2011	x DOR, CDPHE, DORA			Addressing overall fees/fines administered by state agencies. Many of these fees/fines have hindered small and big business from succeeding along with widening the relationship and communication gap. Understanding there is a need for fees/fines in some cases; a 10% fine for a day late Sales Tax report hurts small businesses statewide and obstructs their growth.
102	07/25/2011	x DOR, CDPHE, DHS, DORA			Create better streamlined licensing and permitting processes with the business community. Currently, liquor licenses take 120 days and most of that time is for background checks completed at the state level. Some timelines are needed and should warrant a lengthier timeframe but all licensing and permitting processes could be looked at with the business community to create a better more user friendly process.
103	07/25/2011	x DOR			Look at ways in addressing the Business Personal Property Tax for the betterment of Colorado business. This issue is a long term issue but now is the time to have the discussion to look at ways to foster a solution with the business community.
104	07/25/2011	x CDPHE, Attorney General, various	x		The implementation of unfunded Mandates on local Public Safety Agencies is an issue that becomes more visible and grievous during periods of budgetary declines. The State of Colorado creates equipment or process mandates as a matter of state-wide concern. These needs are understandable and justified, but come without funding availability and put stress on local Public Safety budgets.
105	07/25/2011	x			Transfer of POST Certifications from other states.
106	07/25/2011	x Colorado Department of Public Health and Environment	x Environmental Protection Agency		Nutrient Water Quality Criteria - USEPA is pressuring the State of Colorado to adopt stringent water quality nutrient (nitrogen, phosphorous) standards. The Colorado Department of Public Health and Environment (CDPHE) is proposing to adopt regulations in June 2012 that will limit the level of nutrients allowed to be discharged from point source discharges.
107	07/25/2011	x Colorado Department of Public Health and Environment	x		Colorado Department of Health and Environment / Water Quality Control Division Groundwater, Land Application and Industrial General Permits Unit Proposed General Permit COR 900000 - Stormwater Discharges Associated with

					Industrial Activity Concern: Additional state initiated environmental requirements on local business that will continue to encourage businesses to choose other communities over the Grand Valley.
108	07/25/2011	x Colorado Department of Public Health and Environment	x		Colorado Department of Health and Environment / Water Quality Control Commission 5 CCR 1002-85 REGULATION #85 NUTRIENTS MANAGEMENT CONTROL REGULATION Concern: Additional state initiated environmental requirements on local jurisdictions to collect water quality data that will help the State to develop stormwater quality parameters for each watershed in the state. Local jurisdictions believe that the data, if needed at all for every watershed, would be more effectively and efficiently collected at the Federal/State level through existing USGS gauging stations.
109	07/25/2011	x Colorado Department of Public Health and Environment	x		Fish Consumption Advisories (FCA), issued by the Colorado Department of Public Health and Environment's Water Quality Control Division, do not necessarily indicate contaminated waters, yet the issuance of such results in an automatic addition to the 303(d) list.
110	07/26/2011	x Affirm of Legal Work - CO Revised Statute 8-2-122	x I-9 Dept of Homeland Security		The purpose of an I-9 form is to prove a new employee is authorized to work in the USA. It also requires the employer to attest that they have re-verified the legal documents provided by the employee and that he/she is who he/she claims to be and in fact is authorized to work in the USA. The Affirmation of Legal Work Status is an additional form to fill out by the employer stating: I have examined the legal work status, retained file copies, I have not knowingly hired an unauthorized alien of which are all mandated by the I-9 form. The only additional requirement in the "Affirmation of Legal Work Status" is to attest that I have not altered or falsified the employee's IDs. Both forms are to be attached to one another along with ID documentation and maintained by the employer for different periods of time
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					attest that I have not altered or falsified the employee's IDs. Both forms are to be attached to one another along with ID documentation and maintained by the employer for different periods of time.
112	07/26/2011	x DOL	x DOL		The whole Unemployment Insurance Benefit situation has gotten out of hand. First of all there is little use for employers to fight unemployment claims as the cards are stacked against us. It's no wonder the state is $500,000,000 in debt to the feds for unemployment. If UI hearing officers would consistently follow the guidelines and only award truly eligible recipients: those who lost their jobs at no fault of their own or due to physical/medical conditions that prevented them from performing their job, the state probably wouldn't have near this debt. Even attorneys agree it's not worth their while helping employers with UI (or WC) as we very rarely win. Employers cannot afford to continue paying on questionable UI claims, our rates have increased 100's of percent (over 200% for my company) in the last year and it sends the wrong message to the benefit recipient. I've heard the Colorado Workforce Boards have been frustrated with the number of people receiving UI benefits and especially with the extension of the benefits. They are finding that a great number of these folks will not come in for WIA training that has been made available to them until their benefit runs out. It's extremely easy for people to continue collecting without actually looking for jobs.
113	07/26/2011	x DOL			There are many hoops to jump through with Workers Compensation and every year we learn of new rules and regulations to follow in administering the benefit. WC is mostly good for employers and workers alike except for the 80/20 rule which has become more of a 95/5 rule. 95% of our expenses come from 5% of our employees and they are rarely the exemplary employees (and they've learned the ropes through experience). As I've mentioned in another report, most attorneys believe it's a waste of an employer's time to fight a case and I have to agree wholeheartedly. We've never won a questionable or fraudulent case because the courts always side with the employee's word. Why don't we just give in and settle? It is the insurance company who pays the claim, right? We probably have one really bad case every couple years that has ranged from $50,000 to $950,000 (a bad knee). The latest complication is in Senate Bill-163 and Senate Bill-187 8-43-317. Service of documents: All documents that are required to be exchanged under the Colorado Workers' Compensation Act shall be transmitted or served in the same

					manner or by the same means to all required recipients. An employer would preferably send the "offer letter" by email to the doctor, employee and employee's attorney to expedite the process in getting the employee back to work as quickly as possible. However, email cannot be used in this rule! We will need to either mail it which may take a couple days to get to all parties or we can hand deliver it to everyone. The hardship escalates when the employer is located in a rural area with the preferred provider 70 miles away, the employee 20 miles in the opposite direction who knows where the attorney may be? Hand delivering will probably be out of the question. Once we get the offer letter back from the doctor with his approval, then we can send out the "task letter" using the same rules in delivery. This may set the employee's date of return to modified duty back another seven days. With all the rigmarole in offering a modified duty job to the employee, a couple weeks can easily pass before getting the person back to work. This is a tough situation to describe as it can become extremely involved. Obviously we hate having any of our workers injured and certainly want them back on the road to recovery as soon as possible. Sometimes these regulations get in the way and it soon becomes a lose-lose situation for both the employee and the employer.
114	07/26/2011	x Department of Agriculture	x Environmental Protection Agency		The state can act to buffer or replace Federal Regulatory programs.
115	07/27/2011	x APCD			The average wait time for an air permit to be issued by the state Air Pollution Control Division is now 18 months (1 1/2 years). This lengthy delay is hurting business growth.
116	07/27/2011	x Board of Pharmacy			The Oncology Clinic pharmacy was cited on June 8, 2010 for using chart orders and having floor stock medications in the oncology clinic. This was after >5 years of pharmacy inspections where this issue was not identified. The Clinic is part of the hospital and is only dispensing medications for use by patients while in the clinic. The hospital appealed the issue based on additional costs/complexity and safety issues. The appeal was denied.
117	07/27/2011	x CDPHE-WQCD			CDPHE-WQCD Stormwater regulations are overly stringent and unrealistic and too costly for both local governments and businesses to comply with.
118	07/27/2011	x Colorado Division of Registrations			The requirements for registration for surgical technicians and surgical assistants were very vague. Uncertainty regarding the registration requirements for surgical technicians and surgical assistants employed by physicians in their

					offices, who are assisting those physicians in the operating room. Prolonged timeline between when an employee's check has been cashed to the Colorado Division of Registrations and the verification of registration on the DORA site.
119	07/27/2011	x DNR-COGCC			New COGCC regulations need to be re-visited and tweaked/updated following their roll-out in 2009.
120	07/27/2011	x			Streamlining the asbestos abatement would be one for many businesses, counties and cities. Most counties have buildings which we get back from unpaid taxes, several have asbestos, petroleum tanks or some other expensive issue which county must then mitigate at cost. Problem is one inspector can be paid yet leaves a loophole of "anything which was not seen" this report is used to plan and budget abatement only to learn after having began the project that indeed "something was not seen' and prices skyrocket. Town of Eads had this situation with the Theater project on Maine Street of Eads, county now has this with Murdock/Wissel structure on Maine Street which hopefully one day soon will be fresh senior citizen center and Sand Creek Welcome center and office spaces. What is needed is one inspection by someone who is held accountable, process can move forward without hassles, and continued friendly working with State Health Department. Let counties and cities correct the problems without bankruptcy and make sites available for fresh construction or reuse.
121	07/27/2011	x Dept of Agriculture			Pet Animal Care Facilities Act (PACFA)
122	07/27/2011	x			State sales tax submission for small businesses/seasonal businesses
123	07/28/2011	x PUC/CDLE			Colorado Legislature - Passage of HB 1365 - Clean Air Act - Closed/Abbreviated Process followed by the Public Utilities Commission, passage of Xcel energy plan, specifically failure to follow-through on promise and need for worker retraining funds.
124	07/28/2011	x EDPHE AQCC			Primary issue improper handling of public comment during a hearing.
125	07/28/2011	x		x	Building codes that are applied to oil and gas (CDOH STICKER) (RESOLUTION 35)
126	07/28/2011	x			Water Well Use
127	07/28/2011	x DORA			Inconsistent implementation of electrical inspection regulations and an insistence to the letter of the regulation at times as opposed to the intent of the regulation. Discomfort taking the issue to a higher level due to fear of retaliation during the next inspection.
128	07/28/2011	x			Air Pollution Control Division (APCD) was

		APCD			recently given a directive by the Governor's Office to preferentially review and process one high profile project in the state. This has led to a halt in the availability of their staff to process or even discuss issues regarding modifications to our existing permits and submittal of materials necessary for current permitting of planned mine expansion. Compliance issues originating in 2008 have not been resolved as a result of this situation, and have further stalled efforts to permit critical mine expansion activities. APCD staff has stated that they are not available even for brief face to face meetings to provide needed guidance in order to further the permitting process and have no idea when their staff will resume review and processing of our materials.
129	07/28/2011	x CDPHE	x CMS		Description of Red Tape Issue #1 Federal regulation for home care:CMS regulation - Face to face regulation on patients discharged from a hospital. If patient is coming from an inpatient setting and has orders for home care, the patient has then been seen by a provider. Having physicians accountable for filling out in full detail a form attesting to the fact that they have seen the patient and they require home care in order for the home care company to bill Medicare is time consuming and unnecessary. The physicians are not impacted by the form not being filled out correctly or thoroughly and therefore have very little accountability. A face to face encounter for a home care patient that has not been discharged from an inpatient setting would be an appropriate situation to utilize this form. Description of Red Tape Issue #2 CMS regulation - Requiring home health agencies to contact physician for verbal start of care orders prior to the signed 485 being in the agencies possession when there is a prescription for home care in place is also time consuming and a poor use of agencies and physicians time. Trying to track down a physician to notify him/her that we have admitted a patient to our care and to get verbal orders when the discharge orders exist is creating a burden on the agency and poor relations with our providers. Description of Red Tape Issue #3 CDPHE contracts and processing - Every department has their own invoicing form, requesting different types of documentation for proof of expenditures, some have to be mailed while others can be faxed. There does not appear to be one centralized location for our corporate documents, every contract requires its own Vendor disclosure form and proof of insurance. There is a lot of redundancy in the contract process.
130	07/28/2011	x			Air quality permitting open pit disposal.

		CDPHE/AQCC			
131	07/28/2011	x			On line application and payment. No record by the CDE
132	07/30/2011	x Water Quality Control Commission			Regulation #85
133	07/30/2011	x PUC			PUC - appointments to the commission
134	07/30/2011		x EPA, Corp of Engineers, Forest Service		Water
135	07/30/2011	x Administration position	x Dept of the Interior, BLM, Forest Service		Colorado has slipped from #1 in the country for energy investment between 1992 and 2007. We now rate about 61st in the world - somewhere near Thailand - in ability to develop energy sources.
136	08/01/2011	x			FROM ACTION 22: We have received the concerns from the Mining Association members which I understand have been submitted to the Pit and Peeves RED TAPE process. They are summarized below.
137	08/02/2011	x Division of Banking	x federal banking regulators and Congress	x all public depositories	Immediately upon taking control of the state house, democrats started introducing bills to give direct lending and financing powers to various state agencies and instrumentalities in direct competition with community banks. The private sector cannot effectively compete with government, especially since community banks are often small businesses themselves. We support state and federal government programs that work with community bankers as partners, e.g., loan guarantees, interest rate buy downs, grants to borrowers, etc. During one committee hearing at which I was testifying against such a bill, I was told by a democrat on the committee that the "new definition of free market is the freedom of government to compete with the private sector". Hogwash. Currently, the ultimate threat to community banking is a draft bill we (and perhaps others) persuaded a democratic lawmaker not to introduce in the 2011 session to create a state government owned and operated bank to be capitalized by the state's public deposits! Now the republicans also intend to introduce it too in 2012! Such a bank will not only harm the community banking industry--and ultimately small local communities we serve, it will be in direct competition with the correspondent bank in Colorado that supports and is owned by the community banking industry. The president of the only other bank of its kind, chartered in 1902 in North Dakota, doesn't think such an entity should be chartered in these times. This bank would not be regulated as a bank by any federal regulator or by

					the Colorado Division of Banking, even though it operates as a bank, and in particular would not protect any public funds under the country's strongest public deposit protection law administed by the Colorado Division of Banking. Rather, the full faith and credit of the State of Colorado would be required to cover losses to public entities whose funds must be deposited in such bank. It's like eating ones young! Community banking cannot continue to survive and thrive in local communities in the face of ongoing federal banking regulatory and congressional assaults--and now at the state level from our very own legislature.
138	08/02/2011	x Office of Barber and Cosmetology Licensing			Concern: Beauty professionals entering residency in Colorado requiring endorsement for license transfer from other jurisdictions. Reciprocity is a recognized process in most of the other 49 states.
139	08/02/2011	x Office of Barber and Cosmetology Licensing, Colorado Department of Revenue	x Internal Revenue Service		Concern: The State of Colorado and the US is missing out on a substantial amount of revenue in unreported or under-reported tax revenue by not requiring registration of owners/independent contractors as salon owners
140	08/02/2011	x Office of Barber and Cosmetology Licensing			Concern: The inability of the Barber/Cosmetology Licensing Office to inspect salons/shops on an annual basis.
141	08/03/2011	x Colorado Department of Revenue			Lack of front-end imaging capability at the Colorado Department of Revenue causes the Department to have to send documents to Pueblo by truck for scanning and attachment to taxpayer accounts. This causes significant processing delays and errors.
142	08/03/2011	x Colorado Department of Public Administration			High error rate on manual data entry of Colorado tax data - estimated to be 25%.
143	08/03/2011	x		x	Complex sales tax system which is further complicated by home rule and special districts and exhaustive sales tax audits which consume resources and generate little additional revenue. One of the biggest barriers to new business and a cumbersome issue for ongoing businesses in Colorado is the system of Home Rule. Although we have been living with this system since (I believe) the mid-70s, getting clients to an understanding of that system, establishing the underlying accounting infrastructure for obtaining the proper information for compliance purposes, and the costs of disbursing the responsibility to define, assess, collect and audit the sales taxes at all the various jurisdictions has got to cost more than a centralized system. Each municipality has the ability to make its own rules about what will be taxed - therefore, there is no consistency from one jurisdiction to another. Some jurisdictions tax food sold

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					in grocery stores, and that additional cost to taxpayers in certain jurisdictions increases the overall cost of living for their residents, or forces the residents to consider shopping outside of their home area. Businesses bear the additional costs of tracking the appropriate tax to the appropriate jurisdiction, so there is heavy non-compliance. For example, we provide services to a mobile business that grosses about $80,000 a year, and has to file eleven different sales tax reports monthly - and even more on a quarterly basis! Even as dysfunctional as the State of California is, there is a centralized system for the definition of taxable items, the assessment and collection of taxes, and the audits of the returns for compliance purposes. With the sales tax issue on internet sales hitting at the national level, and Amazon and other virtual retailers looking for simplicity to collect and pay the taxes, Colorado's home rule approach is outdated, cumbersome and costly.
144	08/04/2011	x Various Departments	x Various Departments	x Various Departments	Nonprofits have reported that some of their state contracts do not cover the full costs of delivering the services under the contract.
145	08/04/2011	x Various Departments			Nonprofits have felt burdened by situations where contract payments are received late.
146	08/04/2011	x Dept. of Public Health and Environment, Governor's Energy Office			Some nonprofits feel burdened by filing performance reports on a monthly basis and in some cases, tracking information on a daily basis. Nonprofit with smaller contracts have especially expressed this concern.
147	08/04/2011	x Various state agencies		x Various local agencies	Certain documents are commonly required as part of the application processes for contracts within departments and between different departments. Nonprofits with multiple contracts end up submitting the same or similar documents multiple times.
148	08/04/2011	x CDPHE and DDD			Some nonprofits reported that they needed to obtain the same or similar licenses from multiple departments.
149	08/04/2011	x Various			Some nonprofits have reported that terms of their contracts were changed in the middle of the contracting period.
150	08/19/2011	x Public Utilities Commission			Rulemaking Process: Commission rules allow for parties outside of the Commission to petition for rulemaking. From what I understand, this has happened only two or three times over the past 20 years. In the most recent example, a petition for rulemaking for low-income rate relief, it was apparent that the Commission does not have a process in place or clear procedural path to efficiently handle these matters. It felt as though the Commission was inventing the process on the fly. As a result, I

					believe that extraordinary expense and time by both Commission staff and outside parties interested in the rulemaking issue resulted.
151	08/19/2011	x Public Utilities Commission			Rate Case Settlements In utility rate cases, multiple parties intervene in order to bring to light various issues and advocate for various outcomes. Intervening parties put enormous amounts of work into this from detailed review of utility filings, to issuing and compiling data from discovery, to writing testimony, to reviewing and responding to other intervener's testimony, and to write and submit a final statement of position. After all of this activity is said and done many, if not most, utility rate cases are settled prior to a hearing. With these settlements, not all parties are included in settlement discussions. For example, in Xcel's most recent Phase I gas rate case, a settlement proposal was worked out between Xcel and Commission staff without even the prior knowledge of other parties. Clearly, not all parties to the docket were included in settlement discussions. Energy Outreach is a small organization that advocates on behalf of vulnerable utility customers. We dedicated a great deal of effort and to make our case as did other intervening parties and to be excluded from settlement discussions seems neither appropriate nor particularly equitable.
152	08/22/2011	x DORA - HOA Czar - Aaron Acker			I own a company that manages Homeowners Associations. We gross $500,000 a year and employ 6 full time and 3 part time employees. We do not have any red tape. The state legislature is looking at credentialing property managers and will probably clamp down on our industry in the next legislative session. We are not too concerned with this, as it is overdue.
153	08/26/2011	x Division of Insurance			Utilization Review process for denials of private insurance benefit claims
154	08/26/2011	x Division of Insurance			Utilization Review process for denials of private insurance benefit claims
155	08/26/2011	x HCPF			Out of compliance with statutes. HCPF does what it wants to do and disregards the law.
156	08/26/2011	x CDHS, HCPF, CDPHE			Multiple Medicaid Waivers with differing rules and procedures affecting individuals who fall under several waivers.
157	08/26/2011	x all Departments			Top down scrutiny bottlenecks for process prevents outcomes and demoralizes state personnel.
158	08/26/2011	x all Departments			A huge percentage of work carried out for the state is done through contractors. Some of these relationships have existed for many years and without certain safeguards in place, graft can occur.

#	Date				Description
159	08/26/2011	x		x	What government says and does are two different things.
160	08/26/2011	x CHDS, DDD			Developmental Disability Definition
161	08/28/2011	x HCPF			Blatant discrimination against people with autism on Medicaid to receive mental health services. They are literally denied mental health services because they have autism. This is actually illegal as well as barbaric. How can anyone sleep at night knowing that Colorado discriminates against the most vulnerable citizens in the state? I have brought this up with Medicaid continually and they just look the other way - making unkept promises to do the right thing, but apparently not caring about doing the right thing or about lying to me.
162	08/28/2011	x police, public safety, EMT, ER		x police, fire, public safety, EMT, ER	First responders are not trained to manage people with developmental disabilities.
163	08/28/2011	x all agencies	x	x	Adults with developmental disabilities are often at a child's level of navigating life, yet their systems of support are too complex for attorneys to understand or navigate. Nothing operates consistently and every door is the wrong door to enter. If a typical citizen looked at how these systems operate they would be outraged at the complexity. The unnecessary complexity sucks up most of the funding that should be going directly to support services. Thus, there are about 12,000 eligible Colorado citizens with developmental disabilities that have no services and there is no plan in the State to remedy this horrible circumstance, except hopefully a consolidated waiver that can't be delivered because there is so much red tape around its construction and delivery. These people are cognitively impaired, impoverished, starving, their health is completely neglected, their teeth rotting, and they are homeless with nothing to do and no end in sight. This is an emergency yet it is not a priority because they are cognitively impaired, therefore, they are treated as less than human. Money is wasted in administration. If a check was cut directly from the treasury to the individuals or their guardian, tens of millions of dollars would be able to be obtained for direct services rather than being sucked down to administration.
164	08/29/2011	x All			Six month limitation of personnel services.
165	08/29/2011	x			Colorado Employment Security Act. Unemployment benefits were extended which resulted in increased taxes for my business.
166	08/29/2011	x		x	The Colorado Department of Public

		CDPHE		Building Divisions, Designers	Health and Environment (CDPHE) is not allowing alternate designs nor do they recognize new codes. As of 2008 CDPHE does not allow the use of the most current editions or sections thereof of NFPA 101 Life-Safety Code, NFPA 5000, NFPA 220, or other Standards for the design and regulation of health care facilities. The old (2000 and prior to 2000) editions of the Life-Safety Codes are in conflict with the locally adopted International Building Code. There has been an effort to coordinate the 2009 NFPA 101 and 2009 IBC health care provisions to address some of these conflicts. However CDPHE uses the 2000 NFPA codes and the older referenced standards and does not allow construction based on the newer codes where code conflicts have been addressed and corrected. CDPHE says that the 2000 NFPA codes must be used because CMS requires it and they will not allow the use of current versions. Unfortunately this is requiring buildings to be designed to the 2000 NFPA Codes and the 2009 Building Codes to satisfy CDPHE and Building Departments respectively and the two codes are not compatible. The State (CDPHE) used to allow more current versions or specific sections from the newer codes to be used but stopped in 2008 with the change of personnel.
167	08/29/2011	x CDPHE		x Building Divisions and Designers	Keep fire protection and building code issues out of health care licensing laws.
168	08/29/2011	x Division of Fire Safety			DFS website listing "fire Marshall"
169	08/30/2011	x Dept of Insurance, Dept Health Care Policy and Finance	x The Exchange came the Federal ACA law (HHS implement)	x There is also a local component esp. if the exchange is implemented in a horizontal manor and provides...	AARP Colorado supported SB11-200 however we have concerns about the prohibition of active purchasing contained in the legislation. We think consumers and small businesses would be better served by being able to negotiate with the insurance carriers for lower rates. We are providing this link as a way to explain our concern with this issue. http://www.nasi.org/sites/default/files/research/Active_Purchasing_for_Health_Insurance_Exchanges.pdf
170	08/30/2011	x PUC DOCKET NO. 10M-565T	x FCC		Some issues should also take into consideration as red tape to consumers. AARP has been a state leader in promoting affordable land line telephone service in CO. Please see our comments on DOCKET NO. 10M-565T.
171	08/30/2011	x PUC		x	Red tape issue is that consumers face all these utility rate increases and don't have easy means to speak out. Currently we are concerned about PUC Docket No. 11AL-387E Black Hill's requested a 19 percent rate increase in Pueblo that could hike the monthly bill of average residential consumers by $18.96.

172	08/30/2011	x Office of the Attorney General			AARP Colorado supported HB10-1351 which limited finance charges by payday lenders to a maximum annual percentage rate of 45%. In addition the lender may also charge not more then $10 for each $100 loaned in a 12 month period. HB11-1290 would have undermined HB10-1351 and would have allowed a lender to charge a nonrefundable origination fee deemed fully earned as of the date of a payday loan.
173	08/30/2011	x Office of the Attorney General			AARP Colorado supported HB10-1351 which limited finance charges by payday lenders to a maximum annual percentage rate of 45%. In addition the lender may also charge not more then $10 for each $100 loaned in a 12 month period. HB11-1290 would have undermined HB10-1351 and would have allowed a lender to charge a nonrefundable origination fee deemed fully earned as of the date of a payday loan.
174	08/30/2011	x HCPF	x HHS, CMS		Medicaid Long Term Care Rebalancing. Medicaid is a cost-sharing program between the federal and state government and provides health care to low income US citizens. As Medicare provides little long term care, many turn to Medicaid for long term care services. This will only increase over the next two decades as the baby boomer population will begin to need long-term care. Colorado spends nearly 21% of its budget ($1.6 billion) on Medicaid, about $1.3 billion of which was spent on long-term care in 2009. Of the total Medicaid enrollees in Colorado, the elderly and disabled comprise only 22.5%, but consume nearly 70% of the Medicaid budget. Clearly, cost-saving programs such as HCBS currently and will continue to play a critical role in the distribution of Medicaid services in Colorado. One potential cost-saving solution is to keep the elderly and disabled out of expensive nursing homes for as long as possible. To promote this, the home and community based services (HCBS) waiver was introduced as part of the Social Security Act of 1981 to provide an alternative to nursing home care. Current Colorado state law requires long-term care services to be provided in an institution, so the waiver allows these services to be provided in a home or assisted living facility. This waiver (1915c) is currently used by all states including Colorado. In order to use these waivers the states must show the federal government that it is a cost-saving program yearly to remain enrolled as well as demonstrate that it protects the health and welfare of those enrolled. We feel that some current nursing facility residents could live just as well, if not better, in a home setting or assisted living facility. The Money Follows

					the Person (MFP) Demonstration Program, authorized by congress in 2005, was designed to help Medicaid enrollees transition from institutions to the community. Colorado is one of the states that is receiving a money follows the person grant.
175	08/30/2011	x			Improving Energy Efficiency of Street Lights
176	08/30/2011	x PUC, Governor's Energy Office			Improving Energy Efficiency of Street Lights
177	08/30/2011	x PUC, Governor's Energy Office			Improving Energy Efficiency of Street Lights
178	08/30/2011	x HCPF			Many providers in the state utilize Medicaid Waivers to provide services to their clients/participants. One such waiver is the Home and Community Based Services (HCBS) waiver for the Brain Injured population (BI). This waiver is capped at 500 people and split between two different BI populations, Post Acute (PA) and Supported Living Providers (SLP). PA is a higher level of care as the participant is newly injured and usually discharged from a hospital setting. It is also a fee-for-service (FFS) program and due to the participants fragile state of health they cannot tolerate many services. This means the providers who accept these clients do so for less reimbursement than those at a lower level of care. SLP is reimbursed at a per diem rate which is more conducive to the provision of quality services needed by the participant. The top concerns regarding the HCBS BI Waiver are:* There are 500 HCBS-BI slots in Colorado and close to 300 are not able to be used as they are determined to be for PA only. Only one facility in Colorado offers residential PA because the reimbursement is below cost and the service provision required is difficult due to PA client's physical condition. * There needs to be a change in the eligibility requirements for the Post Acute portion of this waiver. The requirement to access Post Acute only from a hospital setting is not feasible. In many cases people are discharged to family who later realize they can't meet the needs of their loved one. The SLP portion of the waiver was designed to improve access from all settings but because there is no menu of services that can be reimbursed as fee for service, it does not work for people who wish to stay more independent and receive some services in the community. * The SLP waiver has been curtailed since July of 2010 awaiting a Dear Administrators Letter (DAL) from HCPF on how the state is to organize the wait list. * HCPF has been working on regulations for this

					program for years. There is no need for new regulations for the program as the ALF regulations are acceptable with very few changes. * Some BI providers have not been required to have any license. This is against state regulations but these providers are paid by the state. * Parent's income is taken into consideration for young people between the ages of 16 and 18. This makes many in this age range ineligible for benefits even though the parents can't pay. * The reimbursement structure under HCPF should redesigned to allow for reimbursement according to client need.
179	08/30/2011	x HCPF			There are three BI facilities in Colorado that are defined as Assisted Living but not required to have a license. These three facilities are willing to license but have not been required to by HCPF. This means they have no oversight but are paid by the state. This is a position of liability for the state.
180	08/30/2011	x HCPF	x Not sure		4. The Program for All Inclusive Care (PACE) is a cutting edge sophisticated model of care that eliminates fragmentation and greatly improves the health and welfare of our frail elderly across the nation. Colorado has supported this program. Some regulations in PACE conflict with preexisting regulations for program components of PACE. Currently PACE is required to have a Home Health Care License which has different requirements than PACE home care requirements. They can't both be met as they conflict. Due to the conflict the state has been lenient on enforcement of these conflicting regulations.
181	08/30/2011	x			Single Entry Points (SEP) Statewide: The SEP's are responsible for level of care eligibility and ongoing case management for all the community based Medicaid long term care clients in the state. The SEP's have faced multiple budget cuts while the scope of work has increased. They have worked together to provide HCPF many suggestions to decrease redundant and duplicitous requirements to that they can gain efficiencies in the face of budget cuts. These suggestions have not been incorporated into the contracts. There are only 3 providers in the state that are not attached to DHS but those 3 have a large majority of clients. These entities may not be able to continue to sustain the contract at a loss. Decreased budget and increased case loads over the last 4 to 5 years with budget cuts. The program is paid $974 per client but caps at 1759 clients in fiscal year 2011-12 (El Paso and Teller County) As of July 2011 the SEP for El Paso and Teller County has 1889 cases; a difference of 130 cases and a financial shortage of $126,620.00 for the year. In addition the

					Contract lists a total of 205 Consumer Directed Attendant Support Services (CDASS) cases for an additional rate of $200.00 for each case. However as of July 2011 this SEP has 251 CDASS cases. This is a difference of 46 cases with a financial shortage of $9,200.00 for the year. This is a total of $135,820.00 financial shortage for the year.
182	08/30/2011	x DORA/Division of Real Estate			Unlicensed people doing property management. Many of them don't even know that a Real Estate license is required.
183	08/30/2011	x DORA/Colorado Real Estate Commission			There is a lack of understanding by Colorado Real Estate Commission and Real Estate Licensees of the business of property management.
184	08/31/2011	x DORA/Division of Real Estate			At this time when real estate sales are down, there are licensees that are doing property management "on the side" without the required Trust Accounts and systems in place and in some cases without the Broker's knowledge.

Appendix C

List of Organizations participating

Roundtable Attendees by Organization

Organizations	Industry	Bus. Assoc.	Local Gov't.	Community
AARP				x
Academy of Cosmetology Arts		x		
Action 22		x		
AFL-CIO		x		
Autism Society of Colorado				x
Bell Policy Center				x
Better Business Bureau				x
CAP Management	x			
CenturyLink	x			
City of Colorado Springs			x	
City of Grand Junction			x	
City of Greeley			x	
City of Longmont			x	
City of Loveland			x	
Clifton Gunderson	x			
Club 20		x		
CO Assoc. for Manuf. & Technology		x		
CO Assoc. of Commerce & Industry		x		
CO Assoc. of Realtors		x		
CO Chapter of the International Code Council				x
CO Coalition of Appraisers		x		
CO Manufactured Housing Assoc.		x		
CO Mortgage Lenders Assoc.		x		
CO Public Interest Research Group				x
CO Society of Cert. Public Accountants		x		
CO Stone, Sand & Gravel Assoc.	x			
CO Technology Assoc.		x		
CO Veterinary Medical Association		x		
Colorado Bankers Assoc.		x		
Colorado Bioscience Association		x		
Colorado Black Chamber				x
Colorado Building Trades				x
Colorado Cattleman's Association	x			
Colorado Center of Law & Policy				x
Colorado Competitive Council		x		
Colorado Concern				x
Colorado Consumer Health Initiative				x
Colorado Corn Board	x			
Colorado Forum				x
Colorado Hospital Association		x		x
Colorado Medical Society		x		
Colorado Mining Association		x		
Colorado Municipal League		x		
Colorado Non-Profit Association				x
Colorado Nurses Association		x		
Colorado Oil and Gas Association	x			
Colorado Petroleum Association		x		
Colorado Springs Chamber of Commerce		x		
Colorado State University				x
Colorado Wheat Board	x			
Colorado WINS				x
Columbine Health Systems	x			
Complete Production Services	x			
Craig/Moffat Economic Development	x			
De Bourgh Manufacturing Co.	x			
Denver Metro Chamber of Commerce		x		

Roundtable Attendees by Organization

Organizations	Industry	Bus. Assoc.	Local Gov't.	Community
Denver Reg. Council of Governments			x	
Design-Build Institute of America		x		
Energy Outreach Colorado				x
Family Voices Colorado				x
Fed. of Chiropractic Licensing Bds		x		
Fruita City Council			x	
Fort Collins Chamber of Commerce		x		
Grand Junction Chamber of Comm.		x		
Greeley Chamber of Commerce		x		
Health Systems		x		
Hispanic Chamber of Commerce				x
Home Care Association of Colorado		x		
Independent Bankers Association		x		
Kaiser Permanente	x			
Latino Chamber of Commerce		x		
Longmont Area Economic Council		x		
Longmont Area Visitors Association		x		
Loveland Chamber of Commerce		x		
Mesa County			x	
Mesa Energy	x			
Metro Denver Economic Dev. Corp.	x			
Nat'l Fed. of Independent Business		x		
NE Colorado Assn. of Local Gov'ts			x	
New Belgium Brewing Company	x			
No. Front Range Metro Planning Org.			x	
Parkview Medical Center	x			
Prof. Land Surveyors of Colorado				
Progressive 15		x		
Pueblo Bank & Trust	x			
Pueblo Chamber of Commerce		x		
Pueblo Economic Dev. Council		x		
Qwest/Century Link	x			
Rocky Mountain News	x			
Silicon Flatirons	x			
Sinclair and Fischer Broadcasting	x			
Southern CO Better Bus. Bureau		x		
St. Mary's Hospital				x
Talbott Farms	x			
The Business Incubator Center	x			
Tri-State Generation/Trans. Assoc.		x		
US Bank	x			
Veterinary School, CSU				x
West Slope COGA		x		
Western Energy Alliance	x			
Xcel Energy	x			

Appendix D
Summary of Roundtable Discussions

Denver Roundtable, May 24, 2011

As part of the initial discussion related to the challenges of government regulation, one participant noted "the term 'government' is no longer itself a popular term, no matter which side of the aisle you are on." He pointed out that many of his organization's members feel some systems and structures which are in place inhibit the government from, "increasing its value and productivity, which are two mainstays of private business." he said. "A paradigm shift is essential."

"Government should allow its employees to think outside of the box and encourage supervisors to loosen their leash, allowing employees to search for solutions instead of operating under constraints," added a representative from Colorado industry.

> "This Administration is seriously committed to change, and to an end to the mantra of 'government as usual'
>
> - Barbara Kelley
> DORA Executive Director

Another participant pointed out that some things that have come to be seen as "acceptable" in government would never be "acceptable" or practiced in the private sector. He related an example. When calling a department, the participant got an auto-attendant message that began, "due to employee cutbacks…" and went on to state that callers would not be allowed to wait on hold more than 15 minutes. In the private sector, such a statement would likely mean that a caller could be assured that his call would be answered within the 15-minute time limit. In the public sector, this turned out to mean that calls would automatically be disconnected by the system after 15 minutes, requiring a caller to repeatedly redial the agency. The participant recounted his frustration as he was forced to redial the department 25-30 times before he finally got in the cue. (It should be noted that this voice mail has since been changed.)

"I would suggest 'clarity become king,'" said one participant representing a technology association. She suggested that if the State provided better communication throughout government and with the private sector, regulations would be more accepted and better understood by businesses in Colorado. "Sometimes things outlive their usefulness. There are some things we should not be doing today that we did actually need to do 50 years ago," she said.

One participant urged State government to better understand the industries it is regulating. Another participant said too often, he got a sense that the State had a preconceived outcome, whereas he would like to see a genuine commitment from the State to listen and be honest about what can be tackled versus what simply cannot be changed.

Longmont Roundtable, July 13, 2011

> "When we did the 'Bottom Up' economic development process all over the State, we kept hearing back from people everywhere, that too much excessive government regulation, too much red tape was bogging things down, keeping their businesses from expanding or hiring more people. So we thought well, we'll go back out on the road, and talk to people, and say, 'What are your Pits and Peeves? What gets you in the pits? What are your peeves? What can we do to help your businesses do better?"
>
> Governor John Hickenlooper

Participants observed that regulations often are outdated and do not reflect the current realities in the relevant marketplace. One example was the statutes and regulations governing the telecommunications industry, which do not take into account dramatic changes in technology and industry business models. It was noted that many telecommunication devices and systems that are today a part of our everyday lives, could not even have been imagined a mere 10-15 years ago.

Another participant expressed concern about the confusion and ambiguity surrounding sales and use taxes administered by the Department of Revenue. The participant, representing accountants across the country, noted that Colorado is one of the most difficult states to navigate in this regard and indicated that all too often, the obligation to pay these taxes is only resolved after an audit, which is a very expensive and cumbersome process for all sides. The participant noted that some of the confusion arises because of the varying county and local rules and regulations, which in many cases are not aligned with the state rules, in how personal property and services are categorized for tax purposes. Other participants, particularly business owners and local government leaders, agreed that Colorado's sales and use taxes, including its collection system, are in serious need of revision and streamlining.

> "While I have spoken to the folks in the State Department Agriculture office in my 30 years in this position, this was the first time in my life I have been contacted by a member of the Governor's cabinet seeking 'my' input on how our own State could work more effectively."
>
> Roundtable participant

Among the possible solutions put forth, one participant suggested the creation of an actual process or office to provide "oversight of oversight," meaning a permanent Pits & Peeves-type process that would insure a more robust review than provided by the current sunset review process, a process so robust that even lay citizens would be aware that laws are routinely reviewed for their necessity.

Another suggested solution was for Colorado to look to other states for best practices related to oversight and review. One participant noted that in Texas a comptroller is in charge of going through every state agency's regulations and assessing what was truly necessary, what was duplicative, and what needed to be streamlined. He stated that this process has resulted in saving that state millions of dollars each year.

In a similar vein, it was suggested that every State agency should routinely review each of its rules and regulations to make sure each is still necessary, applicable and relevant.

Other suggested solutions included: urging supervisors and managers to create ways to encourage innovation and creative problem solving by state employees; rewarding state employees for finding efficiencies versus maintaining a culture of entrenchment or fear of losing one's job should systems and divisions realize significant reductions in costs; and encouraging agencies to make greater use of available technology.

As the participants assessed their participation in the "Pits and Peeves" Roundtable, one participant, a Colorado Wheat Board representative, provided a personal, yet powerful observation. He stated that during his 30 years in the industry, this was the first time in his life that he had been contacted by a member of the Governor's cabinet seeking 'his' input on how our State could work more effectively. All of the participants generally expressed support for the process, and offered their assistance in helping the State and Governor realize the goal of greater government efficiencies.

Grand Junction Roundtable, July 27, 2011

Many of the participants at this session were representatives from the energy or agricultural sectors on the Western Slope. This session also included representatives from the health care industry. One critical concern expressed by participants in this group was that agencies appear to ignore the full scope of economic impacts to the private sector by failing to perform an appropriate, broad based cost/benefit analysis of proposed regulations.

One participant noted that the process for implementing new regulations is often too lengthy, forcing businesses to incur additional expenses for compliance in the interim. As an example, the participant, a representative of the health care industry, cited the long delays some area hospitals had faced while waiting for new regulations related to surgical technicians to be implemented.

Another participant complained about differing compliance processes across State agencies that do not take full advantage of the available technology and impose unnecessary burdens. For example, some agencies require documents or filings to be faxed, other agencies require that documents be uploaded, and yet others require documents to be "snail" mailed via the U.S. Postal Service.

Several participants noted that active participation in public meetings and hearings on regulatory or legislative actions is difficult for citizens who live outside the Denver metro area, who are often unable to attend, particularly when the proceedings are held over several days. It was suggested that webcasting the entire proceeding in real time, a technology readily available, should be more widely

utilized.

There was considerable discussion about the State personnel system and the manner in which decisions are made regarding the assignment of employees.   For example, one participant commented that competence and performance by State employees should be the principal factor in personnel decisions, not considerations such as "bumping" or seniority rights under the current DPA system.   It was noted, however, that because of the many constraints in the State's personnel system, agencies and departments do not have the same degree of flexibility and authority to deal with personnel resource utilization as may be the case in the private sector.

Similarly, State agencies should utilize greater opportunities for cross-training employees who perform similar functions, e.g., investigators who works on compliance for medical marijuana dispensaries should also be able to work on licensing of alcohol distribution facilities.

The problems related to potential conflict or lack of coordination between state agencies and their federal counterparts were repeatedly raised by participants. One key example involved the U.S. Environmental Protection Agency ("EPA"), particularly its storm water regulations and proposals. Several participants cited the need for greater participation and advocacy by the relevant State agencies on behalf of business and local interests affected by federal regulatory action or proposals. Many of the industry and local government representatives present at this Roundtable session viewed the current storm water proposals as evidence of "creeping" federal authority in areas which should remain subject to local and State control and administration. In this instance, the perception is that the State agencies seem a bit too eager to please or appease the EPA. It was thought that the State agencies should instead be better advocates for local interests.

Several participants from the health care industry raised concerns about the unnecessary costs incurred when regulations resulted in duplication of certain regulatory services. One example given was a requirement that when a hospital opens a satellite facility it must separately license the pharmacy located within the satellite facility even though the satellite facility itself is a part of the hospital, which maintains a fully licensed pharmacy.

Pueblo Roundtable, July 28, 2011

As participants began identifying common themes of government red tape, several expressed the opinion that State regulators often appear unwilling or unable to exercise discretion or judgment in appropriate circumstances, and tend to "hide" behind the strict letter of the regulation. These participants suggested that a culture change is needed to empower employees to be more oriented to problem solving and good customer service.

> "I know, having lived in Southern Colorado for many years now, that not all good ideas come from Denver,"
> - Lt. Gov. Joe Garcia

Similar to comments expressed at other Roundtable sessions, several participants identified the "unintended consequences" of State regulatory actions as a burden that far too often, local government and small businesses end up having to bear. There was consensus that there should be a better system to evaluate such consequences before rules are adopted. Some participants noted that rules and regulations too often reflect a high degree of risk aversion, an approach which protects against "the really bad things" but which often results in costly, unsustainable barriers for business. Other participants commented that the State is too often "punitive-minded" instead of "incentive- minded" when trying to change the public's behavior. As an example, several participants suggested that the State should offer rewards/incentives for early renewal of licenses and permits rather than merely charging penalties for late renewals.

All participants generally acknowledged that manpower shortages within State agencies have seriously and adversely affected businesses in Colorado. Some examples include: delays in air quality permitting, which preclude new businesses from opening and putting employees to work; the fact it takes five months for the State to complete a background check for purposes of issuing an alcohol license, and yet by comparison, it only takes up to five days for the military to conduct background checks from similar sources in order to issue interim high level security clearances. Lastly, one participant noted that State procurement requirements, particularly financing and indemnity liability requirements, make it difficult for Colorado's small businesses to compete.

Many of the proposed solutions expanded on ideas put forth in other Roundtable sessions. For example, to improve citizen access to information, one participant suggested establishing a central 311 call center similar to the system Governor Hickenlooper implemented when he was mayor of the City and County of Denver. Another participant suggested identifying a "go-to" person in each agency who would actually answer the phone and could assist callers with finding the information they need or would have the capability to interact on the web, in real time, with citizens in need of information.

One business representative suggested that the State implement the concept of "leadership in service" to change the culture and behavior of its workforce to be more focused on customer service. This participant noted that the tone of the workplace culture must be established from the top down and employees should be rewarded for innovative ideas and creative problem solving. He further suggested that one way to help employees become more aware of citizen needs would be to encourage them to get out of their offices, attend meetings and participate in activities with organizations outside their usual circle. Several participants noted that regulatory staff often have limited practical understanding of the real world risks and dynamics of the business environments they regulate. As a result, there is a tendency to focus on a micro-issue "gotcha" approach. These participants felt that broader exposure would help expand perspective and understanding of the issues and concerns from a viewpoint outside of government.

Another participant suggested that the State could better use technology to keep applicants apprised of the status of their individual application or registration filing. To illustrate his point, he described his experience with Apple: when a customer purchases an iPad online from Apple, the customer receives an email with the serial number of the device as it comes off the factory line in China. An email alert is sent to the customer when the device arrives in the mainland US. Another email is sent when it arrives at the FedEx headquarters in Commerce City. Finally, a confirming email is sent out when the device has been accepted by the recipient at his business office. This participant suggested that the State could implement a similar online system to allow applicants to track the progress of an application for a permit or license.

> "Transparency and tracking should be a goal in this administration to improve customer service to the citizens of Colorado."
>
> - Roundtable participant

Several participants suggested creating an internal "advocate" or "ombudsman" for small businesses – a highly visible 'go-to' person with real power and authority to exercise judgment and flexibility, and the authority or access to resolve troublesome issues.

Another participant suggested that there should be more opportunities for businesses across Colorado to bid on state projects and contracts, so that the "wealth" is spread throughout the State – rather than the current system which results in awarding most bids to "Denver-centric" companies.   State agencies should allocate and expend resources more equitably across the State. As noted by one participant--*Denver is not all of Colorado; no more so than Pueblo is all of Southern Colorado.*

Denver Roundtable, August, 5, 2011

A participant at this Roundtable session raised concerns about the current statutory process for rule review and cost benefit analysis. (A summary of the current statutory provisions is set out in the Footnote[1])

The participant complained that the current system offered too little analysis, too late in the game and suggested that the statute should be re-evaluated—does the

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[1] **Current statutory process for rule review and cost benefit analysis by the Department of Regulatory Agencies pursuant to Sec. 24-4-103, C.R.S.** As presently structured, subject to certain exceptions, upon filing by an agency of a notice of rulemaking with the Secretary of State, under subsection 103 (2.5) (a), the agency must also submit a draft of the proposed rule or amendment to the Office of the Executive Director of the Department of Regulatory Agencies. If the executive director determines that the proposed rule "may have a negative impact on economic competitiveness or on small business in Colorado," he or she may direct the submitting agency to perform a cost-benefit analysis of the proposed rule or amendment, prior to hearing on the rulemaking. The request for the analysis must be made at least 20 days prior to hearing and if requested, the analysis must be completed and made available to the public at least 5 days prior to hearing. If the cost-benefit analysis finds negative economic impact, the executive director may urge the submitting agency to revise the proposed rules, and may inform the public of the negative impact.

provision work the way it should; is the timing of any analysis appropriate; how effective have past analyses been; and what value does the process serve? Additionally, if a cost benefit analysis is being done, "how" is it being done – and are all the parties involved notified of those findings? These questions prompted other participants to question the practical utility of a cost-benefit analysis in the regulatory process.

Several participants noted that agency delays and lag time often resulted in unnecessary costs to businesses. One example: the lengthy turnaround time for contract processing by the Colorado Department of Transportation which results in extra costs to the developers and contractors who are financing the project, and possibly lost opportunities costs while waiting for an agency's decision. In the same vein, the problems of permitting backlogs with respect to applications with other agencies, such as the Colorado Department of Public Health & Environment, were also noted.

Participants discussed the need for agencies to share documents and avoid requiring businesses to submit essentially the same information in slightly different formats to multiple agencies. There is now little if any sharing or coordinated management of information among state agencies. With respect to health care in particular, participants asked why the State is not able to use and accept the federal forms required for similar services/benefits. With respect to business development, there is also a lack of coordination between the state and local governments, and a lack of real assistance or guidance to new businesses trying to navigate the complicated processes necessary to commence operations.

Among the solutions offered to address to red tape impediments was the need for better coordination among State agencies having overlapping or concurrent jurisdiction or authority. It was recommended that the Administration identify those State agencies that are doing a good job of coordination and have them document their "best practices" for other agencies to follow.

Similar to recommendations made by other Roundtable groups, a 311 State call center was suggested to provide easy access to information, appropriate agency contact or guidance to a website, with the benefit of the ability to collect and analyze metric tracking data to see those areas/agencies receiving the most frequent calls/questions.

A major and recurring theme echoed by participants was the need for a change in culture to focus on customer service. It was suggested that agencies should always remember and reflect the customers' or citizens' perspective. State employees need clarity in understanding exactly who their "customer" is, which should help focus the substance and manner in which information and services are delivered. It was also suggested that State agencies should develop and undertake more outreach opportunities to inform and educate the public about what they do, how the agency operates, as well as what changes or reforms are under consideration by the agency.

Denver Roundtable, August 31, 2011

The Roundtable participants at this session identified many of the same inefficiencies and duplication of requirements in State government as cited by other participants. An issue of serious concern for several participants was the complexity and difficulty of the State's systems for determining eligibility for basic social services, including Medicaid. It was noted that the average person is simply unable to navigate those systems without assistance, and even then often with substantial delays and repeated requests for the same information.   Further, it was said that the review and appeals process is overly complicated and lengthy.

> "Meeting today is not our providing you with anti-government sentiment, in other words it's not like we don't want stop lights, and we just want them to run in sync. It seems pretty simple.   Success will be measured by what we see in the next year."
> - Roundtable participant

> "As an outside citizen, we see permafrost in a bureaucracy that stops the folks with good ideas below from growing, and stops the top folks at each agency from being able to really get a good idea moved into action."
> - Roundtable participant

It was suggested that frontline employees should be better trained in the current Medicaid/Medicare eligibility requirements. Not surprisingly, while recognizing the issues with the Colorado Benefits Management System (CBMS), participants noted the urgent need for the State to fix and upgrade the systems and make better, more coordinated use of available technologies.

One participant observed that she continually hears about the scarcity of State resources, and appreciates the negative impact this has had on State employees. Between the State's hiring freeze, cutbacks, low pay and compensation, it is not surprising that low State employee morale has seeped through to the citizen-customer. Even those employees who care deeply about the services they provide are clearly up against roadblocks. This participant also urged the State to empower its employees to utilize their expertise and bring all of their skill sets to the table.

In discussing potential solutions, participants addressed what many perceived as a "culture of inefficiencies" in government. It was suggested that in many instances, this could be solved by the use of more universal applications in collecting and storing information for use by multiple agencies coupled with better technology for access and dissemination.

Another suggested solution was to provide front line employees with access to information using a universal unique identifier, allowing them to see immediately whether the person calling is qualified for certain programs, and to confirm and update that person's information, without the caller having to re-explain, re-apply, and re-submit. Participants also discussed the merits of a universal helpdesk which could serve both the beginner and the seasoned professional in obtaining desired information from the State. "Navigators" could be created within State agencies that understand the processes, can facilitate resolutions, identify roadblocks and help cross over "silos" within State agencies. Other methods of addressing the inevitable

problem of "silos" within State agencies included the need for agency staff to constantly look at the issues from the "end user" perspective.

One participant commented that the State system is too risk averse, and the solution is for State to be more willing to take risks to be more efficient, effective and to use common sense.

In searching for solutions to regulatory disconnects, many participants suggested that regulations need to be reviewed regularly. Information regarding the rules review process needs to be communicated to stakeholders as well as the general public. While exploring how to improve the use of technology, access to information, communication and coordination among other levels of government, one participant suggested that the State consider the horizontal integration and access to broad service programs. Another participant suggested a shift in attitude of State employees from being too process-/mechanics-oriented to being more client-focused. This shift would require adequate training or utilizing inter-agency internships (cross-training, integration) to give State employees a broader perspective.

> "With every piece of legislation there is a "fiscal note" – shouldn't there also be an "affinity note" – so that we know which agencies need to be involved."
> - Roundtable participant

See Appendix E for a comprehensive list of issues and proposed solutions.

Roundtable Follow-Up

After each Roundtable session, Summary Notes of the discussion for that meeting were distributed not only to the participants at that meeting, but to all the attendees at the other sessions. It was deemed important to share the scope of red tape issues and concerns, as well as suggested solutions, with the entire group of Roundtable participants.

Appendix E

List of issues and potential solutions

	Colorado "Pits and Peeves" Issues	Recommended Solutions
	Issues and Concerns	**Potential Solutions**
1	Culture lacks customer focus	Governor should set tone for agency culture change - set expectations
2	Bureacrats tend to hide behind regulations and use any discretion	Improve customer orientation in agency staff
3	Culture change is needed to empower staff to provide better customer service	Management by "walking around" taking gov't on the road
4	State staff are too punitive minded and don't use incentive approach	Improved customer service should be encouraged and rewarded
5	Lack of consumer service approach	Prepare for turnover of staff and training of new personnel
6	Too often punitive approach to compliance	Grow team building to get group "buy-in"
7	Need improvement in notification to business of decisions that affect them	Encourage employees to attend meetings of Boards, legislature, etc.
8	Agency staff should be empowered to provide input	Provide education that customer service is good above enforcement or in tandem
9	Cultural change is needed throughout the State for the Governor's goals to be realized	Shift from being State employees who are process/mechanics to be client focused employees
10	Lack of "call backs" for both information and respect of the people and businesses	Always view things from a customer perspective
11	State personnel system seems to be run like a 'union shop'	Promote a customer friendly culture from top to bottom
12	No sense of importance on 'customer service'	Provide better guidance to the customer upfront
13	Change needed on the 'image' of government services	Put more resources into outreach efforts a.k.a. marketing/public relations
14	State personnel system and cultural expectations for government employees	Culture of communication and trust necessary and mutual accountability in government
15	State should be more business friendly versus, "this is the way we've always done it"	We need to be willing to take risks to be more efficient, effective and to use common sense
16	WQCC has negative perceptions about agricultural interests	Improve and enact concept of "servant leadership" to change culture and behaviors
17	More sharing among agencies of what works or needs improvement	Identify a central contact and provide better timeframe estimates for completion
18	Need to get state agencies to share resources e.g. procurement opportunites around the state	In health care, eliminate /streamline overlapping requirements, forms, etc.
19	Better coordination among State agencies for issuing multiple permits	Improve coordination with Attorney General's office
20	Every agency has its own way to doing business	Include with all legislation an "affinity note" so that we know which agencies are involved
21	Duplication in procurement paperwork for different agencies	Encourage good communication at all levels
22	Coordination needed on sales tax issues among Federal, state and local jurisdictions	Set up interagency work groups to actually accomplish, not just talk about soutions
23	Lack of information technology integration	Consider horizontal integration and access to broad service programs
24	Need for C/B analysis of proposed regultion	Need EO to address fiscal notes and unintended consequences
25	Agencies don't consider economic impact of regulations	State needs to identify the socal/economic impact of federal regs
26	Need to examine unintended consequences of state actions	When proposing legislation, always perform robust C/B analysis, avoid duplicating efforts
27	New rules are always coming out randomly and unpredictably without alerts to those affected	Get early input from adversely affected stakeholders

	Issues and Concerns	Potential Solutions
28	Legislation needs to examine impacts on business	Increase communication with business community during rulemaking and after implementation
29	Need for C/B into available to parties in rulemakings	Regular review of codes, fees, with internal and external stakeholders
30	Regulatory review needs expansion	Bring sunset provisions up to date and perform regulatory reviewevery 3-5 years
31	Legislatiave review needs expansion	Continuous and on-going review of statutory-regulatory req'ts for alignment and consistency
32	Continuous review of what is "essential"	Ensure equitable treatment at regulatory hearings
33	Need for sunset review process expanded	Use more policy and guidance docs instead of full rulemaking to allow more public input
34	Need periodic rule review	In Federal rulemaking, state should consult with business interests affected by rulemaking
35	Legislative intent not always reflected in regulation	Determine basic intent of legislative proposals
36	Too often, the origin of regulation is not going back to the original legislative intent.	Develop minimum level of regulation to implement legislative intent
37	'Red tape' is not just administrative, it's also in legislative making and a huge barrier	Make sure legislative sponsors are part of the rulemaking process
38	Loss of connection between legislators and regulators	Have agency heads review new legislative before signed by the Governor
39		Provide more state interpretation of legislative intent & get more public input early in rulemaking
40	Concern about expanding federal power re EPA rules	Create interactive websites to get info and notices out on new Federal rules
41	State needs to esnure that Regional haze SIP & MS4 programs are fair & necessary	Notices of new regulations need to be emphasized e.g. reg flashing lights!
42	Enforcement of stormwater regulations too strict	Provide ombudsman for all boards and commissions to deal with complaints
43	Differing and overlapping req'ts from Federal and State	Encourage CCI and CML follow-up with regulatory process
44	State should advocate for the State interest in dealing with Federal gov't	State should participate more often as cooperating agencys in NEPA process re EcDevo
45	Local gov't is affected by State regulation (unfunded mandates)	State contract with Federal Dep't of Labor for state inspections (H2A program less adversarial)
46	Local gov't doesn't want state mandates re personnel (unionizing)	State needs to support agricultural interests re environmental regs e.g. ESA
47	Staff cuts should be of people not performing	New third party studies are needed on how to improve government
48	Need more West Slope attention to issues facing local gov't	System mapping is needed, allowing the government to routinely test how things are done
49	Clearly explain application of surgical technology requirements	Provide economic initiatives for Colorado companies to provide training opportunities
50	Disparity of personnel dedicated to MaryJane v. alcohol compliance	Evaluate prohibition of outsourcing for services that could be outsourced for more efficiently
51	Different degrees of enforcement of state regulations	Look to other states for Best Management Practices
52	Complaints about unfair business practices not being addressed due to staffing cuts	Continue P&P conversations and engage stakeholders
53	Continually from the outside we hear that "resources" is such an issue	Give staff permission to use their discretion and creativity when rules don't make sense
54	Employee performance and accountability seems to be missing	Use performance standards in lieu of technology requirements
55	County employee is simply not properly trained or educated on the topic.	Make cross-training of staff more frequent in lieu of categorical single focus training
56	Personnel system prohibits leaders from "helping employees up" or "helping them out"	Create or make transparent a tracking systemwith goals that are not necessarily mandated
57	State employees need to be empowered to use their expertise and make decisions	Develop a "best practices" effort finding consistency and using models already in place
58	Agencies lack follow-up on issues identified	Universal helpdesk that can resolve issues and eliminate roadblocks
59	Need for more and better guidance from agencies	Examine Kaiser Permanente system to see how information can be more universal
60		Use universal unique ID to see if caller qualifies for programs and gives profile of caller

	Issues and Concerns	Potential Solutions
61		Empower staff familiar with regulations to work with business where conflicts exist (code issues)
62		Have a pro-active mentality, and categorize projects, "not one size fits all model"
63	Greater flexibility in using public-private partnerships	Encourage priority for Colorado companies in the procurement process selection
64	Fragmented CDPHE contracting and invoicing	Use single permit that incorporates multiple requirements
65	Burden of state permits for river rafting for outfitters	Ensure that sufficient staff resources are available for permit review and other customer services
66	Too much time for licensing (liquor) - need to look at performance standards	Agency needs to provide regional support
67	Delays in issuing air permits need to be prioritized by economic impact not time filed	Set and advertise expectations to consumers
68	Need more timely response from DORA on surgical technicians	Streamlined background checks system
69	State procurement rules become barriers	Set internal performance measures
70	CDOT slow in decision making re permits	Create transparency in licensing process - tracking system that accounts for time in process
71	CDPHE permitting too slow - stormwater regs - needs transparency	Research cost/benefits of saving money vs. upgrading equipment changes
72	State contracting is slow	Develop compatibility with Feds and other state agencies
73	Tax collection and unclaimed property efficiency issues	Improve and enact concept of "servant leadership" to change culture and behaviors
74	Continually from the outside we hear that "resources" is such an issue	Creation of more public/private partnerships are needed
75	Inefficiencies in submitting the same information among other agencies.	Adequate training and even interagency fellowships (cross-training, integration)
76	Eligibility determination process is an extremely cumbersome, complex and lacks clarity	Need to determine whether problem is with the process or a people issue
77	Shortage of staffing causes delays	State standard form that any agency can access
78	Public needs to know who to call when they have a problem	Identify a "go to" person for each program or agency
79	Need for personnel contact info accessible	Move "work" from customer to agency specialist
80	Need website availability with staff information and phone numbers	Designate someone to take ownership of issue
81	Need an advocate for small business - "go to" person with empowerment	Provide "live chat" option within agencies
82		Educate the public about "helpful" services being offerred
83	Lack of technology in some agencies	Implementation of a State "311" system similar to that used in the City & County of Denver
84	Food stamp program needs better technology	Utilize "Google docs- type review to eliminate duplication
85	State agency web sites do not seem to be able to handle things	Use new technology (videotaping, webcams) for remote access
86	State web sites lack similar apprearances and need basic information	Public can get information from website without having to know how the agency is organized
87	State infrastructure is not ready to manage medicaid (technolgy and personnel)	Websites need to be updated and eliminate inaccurate information
88		Provide more guidance on the website
89		State agencies should have a common web site or skin with public info on how to reach people

Themes
Need for culture change
Greater coordination among state agencies
Need for better understanding adverse impacts e.g. more C/B analysis
More frequent Legislative/regulatory review
Writing clearer reguations/rules in accordance with legislative intent
Federal-state-local interactions
Improved management, guidance and training
Slow/burdensome/inefficient agency process
"Go to" agency person
Better use of new technology